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AN INQUIRY INTO THE FOREIGN POLICY PROCESS  
OF NEUTRAL AUSTRIA

by

Richard R. Rager

Submitted to the  
Faculty of the School of International Service  
of The American University  
in Partial Fulfillment of  
the Requirements for the Degree  
of  
MASTER OF ARTS



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Washington, D. C.

July 1964



## ABSTRACT

The purpose of this thesis is to: (1) discuss and evaluate the substance of post-1955 Austrian foreign policy; (2) analyze the concept and applicability of military neutrality to the Austrian case; and, (3) assess the key elements within the policymaking apparatus. An analytical treatment is used with occasional departures into historical discussions. The following are also presented: the role of special interest groups and political parties, coalition practices, recent changes in the national community, and a brief examination of foreign economic policies. The study closes with a discussion of the country's involvement in world affairs.

Neutral Austria is portrayed as a viable and united nation-state with the capacity to make significant contributions toward building a more stable order in Europe.





## ACKNOWLEDGMENTS

The author wishes to acknowledge his indebtedness to the staff of the Embassy of Austria, Washington, D. C., for their courtesy and assistance in writing this thesis. He would also like to express his sincere appreciation to various individuals in the Washington, D. C. offices of the European Free Trade Association and the European Economic Community.

Finally, the author wishes to express a special thanks to his wife, Anne Therese Rager, whose comments and encouragement were invaluable.



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1. The first of these is the fact that the war has been a total war, involving the entire resources of the belligerent nations. This has led to a complete mobilization of the population and the economy of the warring countries.
2. The second factor is the technological advances in warfare, particularly in the development of the airplane, the tank, and the atomic bomb. These have greatly increased the destructive power of war.
3. The third factor is the economic system of the world, which is based on competition and the pursuit of profit. This has led to a constant struggle for resources and power between nations.
4. The fourth factor is the political system of the world, which is based on the balance of power. This has led to a constant struggle for dominance between nations.
5. The fifth factor is the human condition, which is characterized by a desire for power and a willingness to sacrifice for it. This has led to a constant struggle for power between individuals and nations.
6. The sixth factor is the geographical situation of the world, which is characterized by a concentration of population and resources in certain areas. This has led to a constant struggle for control of these areas.
7. The seventh factor is the cultural differences between nations, which have led to a constant struggle for dominance and a willingness to use force to achieve it.
8. The eighth factor is the economic interdependence of the world, which has led to a constant struggle for resources and a willingness to use force to obtain them.
9. The ninth factor is the political interdependence of the world, which has led to a constant struggle for power and a willingness to use force to achieve it.
10. The tenth factor is the human condition, which is characterized by a desire for power and a willingness to sacrifice for it. This has led to a constant struggle for power between individuals and nations.



## CHAPTER I

### INTRODUCTION

The transition in Austria since the end of the Second World War has been in sharp contrast to that country's first experience with parliamentary democracy. In 1955, after seventeen years of foreign occupation, Austria received independence from the former wartime Allies of the Second World War. Freed from the bitter political dissension which contributed to the destruction of the First Austrian Republic, the Austrian nation immediately demonstrated in a pattern of peaceful national elections that the new republic was viable and worthy of membership in the world community of nations.

#### I. THE PROBLEM

##### Statement of the Problem

It was the purpose of this study (1) to discuss and analyze post-1955 Austrian foreign policy, as it has been expounded and implemented; (2) to show how neutrality has conditioned the role of the country in international affairs; (3) to compare and assess the importance of various elements within the organization concerned with foreign policy-making; and (4) to present Austria's involvement in the international state system.

# Introduction

The transition in Europe since the end of the Second World War has been a story of rapid change. In 1945, after a period of military occupation, Europe found itself divided into two main camps: the Western bloc, led by the United States, and the Eastern bloc, led by the Soviet Union. The process of reconstruction was underway, and the Cold War had begun. The European countries were seeking to rebuild their economies and societies, and to establish a new international order. The process of integration began, leading to the formation of the European Coal and Steel Community in 1950, which later evolved into the European Economic Community and finally the European Union. The transition was not without challenges, but it resulted in a more stable and prosperous Europe.

## 1. The Problem

### Statement of the Problem

It was the purpose of this study (1) to discuss the various problems which have arisen since the end of the Second World War, and (2) to show how these problems have been dealt with by the various countries. The study is divided into two main parts. The first part discusses the general situation in Europe, and the second part discusses the specific problems of the various countries. The study is based on a review of the literature on the subject, and on interviews with experts in the field. The study is intended to provide a comprehensive overview of the problems of Europe since the end of the Second World War, and to show how these problems have been dealt with by the various countries.

### Importance of the study

The existence of a united Austrian state in 1955 was the result of both luck and courage. It was fortunate that the Renner Provisional Government was jointly recognized by the Western Allies and the Soviet Union in 1945, thereby preventing the continuing tension that has existed in divided Germany. Second, it was significant that the Second Austrian Republic was not absorbed into the Soviet sphere of influence. The failure of the threats and blandishments of the Soviet Government to cause in Austria a repetition of events that brought about the downfall of non-Communist governments in other Central and Eastern European countries was, among other reasons, due to the courage of the Austrian people.

This study was undertaken in view of Austria's geographical position, potential contributions to the creation of a more stable order in Europe, and because of the aforementioned early postwar history. Austria is located at one of the crossroads of Europe. Lying like a wedge thrust into Communist-dominated Eastern Europe, Austria is bounded on the north by Czechoslovakia, on the east by Hungary, on the south by Yugoslavia and Italy, on the west by Switzerland, and on the northwest by Germany.<sup>1</sup> Its area is 32,376 square

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<sup>1</sup>Bureau of Social Service Research, Communications



[illegible][illegible]

miles, and the frontiers total 1,638 miles. Further, Austria lies only a few hundred miles from the territory of the Soviet Union.

Since no published studies on the contemporary Austrian foreign policy process have been introduced in the United States to date, it is hoped that this thesis has filled a gap that had been previously ignored.

## II. DEFINITIONS OF TERMS USED

### Political Process

In opening any discussion on politics, it was necessary to define the terminology which was used as the framework of the study. Although the Austrian "political process" cannot be defined precisely, it shall be considered in this presentation in the following context:

Politics consists of the organizational activity men engage in to maximize their deeply felt convictions about social values. By political action men attempt to realize their differing notions of "public good." Thus politics is really a process--a means to a value-centered end.<sup>2</sup>

The extent of cooperation in the contemporary coalition government became one clear illustration of how far

---

and Public Opinion in Austria (Washington: The American University, 1954), p. 2.

<sup>2</sup>Charles O. Lerche, Jr. and Abdul A. Said, Concepts of International Politics (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963), p. 2.

also, and the American people, and the American people.

There is only a few hundred miles from the territory of the

United States.

There is no possible chance of the territory.

American people policy should have been adopted in the

United States in 1890, it is now that the United States

is a part of the United States.

## 11. CONCLUSION TO THE CASE

### Political Factors

In 1890 the American people were in a state of

great excitement and the American people were in a state of

great excitement. Although the American people

were in a state of great excitement, it will be considered

in this connection to the following cases:

Political factors of the American people were

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politicians have compromised their principles to promote domestic tranquillity and the public good.

### Foreign Policy

It was equally important to determine what was meant by "foreign policy" since the theme of this thesis was centered around its process of formulation and implementation. Charles O. Lerche and Abdul A. Said, in Concepts of International Politics, defined this phrase:

In a broad sense, foreign policy consists of a society's attempt to realize on the international plane certain notions of what it conceives as good.<sup>3</sup>

An examination of value judgments, or what the Austrian nation considered to be good, and how these value judgments stimulated political action was thus required. The foreign policy process was found subjected to all the pressures which exist in any state's internal political process. Austrian foreign policy has successfully functioned in an environment of competition; not in a vacuum or in a world that the policy-makers wished existed.

### National Interest

Foreign policy was defined above in terms of what society considered to be good. These value judgments form "the bases upon which a state proceeds in international

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<sup>3</sup>Ibid., p. 3.

Political and economic conditions in the Soviet Union

in addition to value judgments, or with the system  
which considered as an open, two-way value judgement  
transferred political action and the individual. The foreign  
policy, however, was found necessary to all the countries  
which exist in any state's national political system.

Foreign policy was defined as being in line with the  
policy of the United States. The United States was  
the only country in the world which was not a member of the  
United Nations. The United States was the only country in the  
world which was not a member of the United Nations.



politics."<sup>4</sup> Since foreign policy is formulated in the real world, these value judgments must be translated by policy-makers "into objectives before they can begin to act."<sup>5</sup> The focal concept involved here was that of the "national interest." This shall be considered as "the general, long-term, and continuing purpose which the state, the nation, and the government all see themselves as serving."<sup>6</sup>

### III. PROCEDURE AND SOURCES

#### Procedure

An analytical treatment was used with occasional departures into historical and descriptive discussions. The historical section's purpose was to identify the main factors which have determined the role of Austria in international affairs.

#### Sources

The explanation for the preponderance of secondary material in the bibliography was due to the collection of all information in the United States. The majority of studies on Austria covered either the period of the Allied postwar occupation or the experiences of the First Austrian

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<sup>4</sup>Ibid., p. 4.

<sup>5</sup>Ibid., p. 6.

<sup>6</sup>Ibid.

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Republic. The Austrian Information, a biweekly bulletin published in the English language by the Austrian Press and Information Service, was utilized to a large extent for more current information. It carried important statements by Austrian statesmen as well as reprints from Austrian newspapers. Official statements by key government officials, especially the Federal Chancellor and Foreign Minister, provided insight into the substance of Austria's foreign policy.





## CHAPTER II

### ORIGINS OF THE SECOND REPUBLIC

In Austria, as in all countries, the making of foreign policy and its process of execution was influenced by the legacy of the past. This legacy helped influence the nation's image of what foreign policy was and what it could be. Memories of the past have fashioned expectations which, in turn, have affected the interplay between foreign policy and the continuous process of national self-definition and interpretation of national interests. In the first fifty-five years of the twentieth century, the history of Austria was turbulent. The purpose of this chapter was to identify the main events that have conditioned the contemporary role of Austria in world affairs.

#### I. FIRST AUSTRIAN REPUBLIC 1918-1938

##### Internal Weakness

The disintegration of the Hapsburg Empire in 1918 left the First Republic in a precarious economic and financial position. All that remained with which to build the First Austrian Republic was about seven million German-speaking Austrians and a group of nine provinces without

[illegible]

national or administrative cohesion.<sup>1</sup> The economic geography of the dissolved empire revealed the presence of two very different spheres in Austria. In the east lay industrial Vienna, and from it toward the south extended a number of industrial cities. The rest of the country was agrarian, except for a few scattered cities. Once the central administration of the Austro-Hungarian Monarchy was removed, the balance of power within the country shifted from Vienna to the rural provinces.

Charles A. Gulick, in Austria, From Hapsburg to Hitler, summarized the serious problem of a lack of national consciousness:

Vorarlberg wanted union with Switzerland, Tirol wished independence, and the majority of the states desired to obtain the greatest possible freedom from Vienna and the central government.<sup>2</sup>

The diversity between the industrial and agrarian sectors of the population demanded collaboration between the two political forces. Instead, patriotism was subordinated to party sentiments. Mary MacDonald, in The Republic of Austria 1918-1934, concluded that:

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<sup>1</sup>Richard Hiscocks, The Rebirth of Austria (London: Oxford University Press, 1953), p. 1.

<sup>2</sup>Charles A. Gulick, Austria, From Hapsburg to Hitler (Berkeley, California: University of California Press, 1948), Vol. 1, p. 121.



national or administrative divisions.<sup>1</sup> The economic geography of the district was not the same as the political divisions. In the past the political divisions, and these are found in the district, were not the same as the administrative divisions. The fact that the country was divided into a few provinces, and the political divisions, was the result of the fact that the administrative divisions were not the same as the political divisions. The fact that the country was divided into a few provinces, and the political divisions, was the result of the fact that the administrative divisions were not the same as the political divisions.

Charles A. Smith, in History of the District of Columbia, 1911, p. 111. The fact that the country was divided into a few provinces, and the political divisions, was the result of the fact that the administrative divisions were not the same as the political divisions.

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This lack, more than any other single cause, was to prove the ultimate ending of the Austrian Republic

. . . .<sup>3</sup>

Under these conditions, the concept of a unified state was meaningless.

Despite treaty prohibitions, agitation for union with Germany went on steadily in Austria from 1919 to 1926. The significance of this movement justified a quotation of some length:

When it became clear that the Bolshevik danger in Germany was rapidly waning the hopes of the separatist movement turned more and more definitely toward Germany. Especially when, after the Kapp putsch in Germany, rightist rule was established in Bavaria by Kahr, the tendencies toward union with that part of the Reich reached a climax in the states. Even earlier, December 1919, Tirol and Salzburg had carried unanimous resolutions favoring "economic anschluss" to Germany . . . . The Entente, however, declared, by means of a very positive note of December 17, 1919, written by Clemenceau, that it would not tolerate any changes in the territorial or other stipulations of the peace treaty . . . .

The first Habsburg putsch in Hungary gave a new impetus to the anschluss movement . . . . In April, 1921, Tirol carried through a plebiscite on anschluss. Almost nine-tenths of the qualified voters participated and 98.8 per cent of them favored anschluss. Next, the diet of Salzburg passed a similar resolution. . . . Although Upper Austria also decided to have an election, it was pointed out that the decision was to be regarded only as an expression of principle. Finally, Styria followed, on May 31 the diet there

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<sup>3</sup>Mary MacDonald, The Republic of Austria 1918-1934, A Study in the Failure of Democratic Government (London: Oxford University Press, 1946), p. 1.

[illegible][illegible]

Georgia State University, Atlanta, Georgia 30303

There is no record in the National Archives of the United States of the National Security Council's activities in the period 1945-1949. The National Security Council was established in 1947, and its activities were recorded in the National Security Council's annual reports to the President. The National Security Council's activities in the period 1945-1949 were recorded in the National Security Council's annual reports to the President. The National Security Council's activities in the period 1945-1949 were recorded in the National Security Council's annual reports to the President.

The first category of cases is "cases of a general nature" which are referred to the various departments of the Government. The second category is "cases of a special nature" which are referred to the various departments of the Government. The third category is "cases of a special nature" which are referred to the various departments of the Government.

decided upon a plebiscite. In the meantime France, supported by England and Italy, made it clear to the government in Vienna that a continuation of the plebiscites in the states would lead to immediate refusal of any credit. Since at that time of raging inflation in Austria the whole policy of the government was dominated by the need of foreign credits, this intervention of the Entente was decisive.<sup>4</sup>

Life in the new Republic was extremely difficult during the first few years. Terrible economic distress fostered the growth of extremist elements on both sides, thus serving to accentuate the already existing class and party differences previously mentioned.<sup>5</sup> Joseph S. Roucek, in Contemporary Europe, A Study of National, International, Economic, and Cultural Trends, outlined the nature of the economic challenge:

In the first nine years after the war Austria struggled with five financial problems: (1) an adverse foreign trade balance, (2) unemployment, (3) currency disorganization, (4) unbalanced budgets, and (5) shortage of operating capital.<sup>6</sup>

The Austrian Government was unable to solve these problems alone and requested foreign assistance.

#### Allied Assistance

In February, 1922, credits were advanced to Austria

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<sup>4</sup>Gulick, op. cit., pp. 121-122.

<sup>5</sup>MacDonald, op. cit., p. 3.

<sup>6</sup>Joseph S. Roucek, Contemporary Europe, A Study of National, International, Economic, and Cultural Trends (New York: D. Van Nostrand Co., Inc., 1947), p. 300.



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by Great Britain, France, Italy, and Czechoslovakia. Despite these loans, the financial situation remained chaotic and on September 6, Chancellor Seipel appeared before the Council of the League of Nations to appeal for additional help. It should be noted that Austria had accepted membership in the League of Nations on December 15, 1920. Consequently, on October 4, 1922, the three so-called Geneva Protocols were signed. The Protocols provided financial assistance as requested under a Commissioner-General and a Committee of the Guaranteeing Governments--Great Britain, France, Italy, and Czechoslovakia. Furthermore, the Protocols contained a guarantee of Austria's independence by the League of Nations. As a tangible result, the budget was balanced for the first time in 1925.

Mary MacDonald drew the conclusion that during this period:

The absolute dependence of Austria on economic assistance from the Allies necessitated the adoption of a foreign policy which was unpopular with the majority of Austrians; and the control acquired over the country by her creditors gave birth to the suspicion that government by the people for the people was synonymous with government by the Allies for the Allies.<sup>7</sup>

Although Allied objections to any territorial changes of the peace treaty had prevented anschluss with Germany during the

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<sup>7</sup>MacDonald, op. cit., p. 3.

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early period of the Austrian Republic, the issue reappeared in the next decade.

### Customs Union Project

After a few years of relative prosperity in the middle 'twenties, economic difficulties returned to Austria as the effects of the world-wide depression following 1929 became manifest. Since the Austrian economy was founded on foreign loans which were no longer available, Austria again sought assistance and new loan commitments. Finally, to counteract domestic economic straits, on March 19, 1931, the German and Austrian governments signed a protocol paving the way for a customs union.

The French, Italian, and Czechoslovakian governments registered immediate protests against this form of economic anschluss. This action was based on the joint belief that such an arrangement endangered Austrian independence. The project was submitted to the League of Nations, but was ultimately abandoned by the Austrian government. In October 1931, the International Court at The Hague declared that the proposed union was illegal, by the margin of a single vote.

In the meantime, a financial crisis occurred in Austria. The climax came when the Austrian Credit-Anstalt, largest banking institution in Central Europe, suspended payments on May 11, 1931. There was no other financial

early history of the shipping service, the issue was decided in the end.

# Shipping Service

After a few years of relative prosperity in the shipping service, the shipping service in the United States was in a state of decline following 1917.

The decline in the shipping service was caused by several factors. First, the shipping service was faced with a shortage of ships. Second, the shipping service was faced with a shortage of crew. Third, the shipping service was faced with a shortage of cargo.

Fourth, the shipping service was faced with a shortage of capital. Fifth, the shipping service was faced with a shortage of government support. Sixth, the shipping service was faced with a shortage of public opinion. Seventh, the shipping service was faced with a shortage of international cooperation. Eighth, the shipping service was faced with a shortage of technological innovation. Ninth, the shipping service was faced with a shortage of management expertise. Tenth, the shipping service was faced with a shortage of financial resources.

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institution in Austria which could take over the bankrupt Credit-Anstalt. The government appealed for loans, but French action obstructed foreign action. The collapse of the German banking system in July 1931 immensely increased the strain on the Austrian economy.<sup>8</sup>

With the renunciation of the customs union project, loans became available and the economy was revived temporarily. The final episode in this ill-starred undertaking occurred in October 1931, when the International Court at The Hague declared the scheme illegal by a narrow majority. Meanwhile, domestic politics were characterized by the ever-widening schism between the Christian Socialists and the Social Democrats. The Austrian National Socialist Party, among other extremist groups, took full advantage of national disunity.

#### National-Socialist Germany

By 1932, the Austrian Nazi Party had emerged as a strong contender in Austrian politics, coinciding with the rise of the German National Socialist Party. The Landbund and the German Nationalist parties, along with a faction of the pro-Fascist Heimwehr, were absorbed into the Nazi movement. Austrian Nazi partisans contributed to the destruction

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<sup>8</sup>Gulick, op. cit., p. 943.





of the democracy through continued agitation for anschluss and violent measures against their political foes. This movement was immeasurably strengthened after Hitler came to power in Germany. One of Hitler's initial foreign policy moves was the launching of a vigorous propaganda campaign against the Austrian Government. This German program was one clear indication of the beginning of the end for the Austrian Republic. As Charles A. Gulick put it:

The annexation of Austria by Germany was inevitable after Hitler's accession to power on January 30, 1933, unless the victors of 1918 had been willing to stop him, by arms if necessary.<sup>9</sup>

### Civil War

As described above, the Austrian nation was bitterly divided in 1932. Following great gains made by the Nazis in the 1932 provincial elections, peasant leaders and more moderate members of the Christian Socialists turned to Dr. Engelbert Dollfuss, who formed the last parliamentary government on May 30, 1932. Mary MacDonald expresses the challenge that the new Chancellor faced:

Dr. Dollfuss did succeed in evoking, for the first time, the faint beginnings of an Austrian national consciousness. But his Government was too weak to withstand simultaneous attacks from the Left and from the Right. After having dissolved a parliament which had become unworkable in March 1933, he found himself confronted with the necessity of coming to

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<sup>9</sup>Gulick, op. cit., p. 1623.

of the Government through continued operation for assistance  
and financial assistance against these political forces. This  
movement was immediately strengthened after World War II  
began in Germany. One of Hitler's initial foreign policy  
goals was the launching of a German propaganda campaign  
against the Western Government. This German program was  
one clear indication of the hostility of the end for the  
Western Republic, as Germany's policy was to

The formation of a party by Germany was inevitable  
after Hitler's accession to power in January 1933.  
1933, after the election of 1933, the party was  
strong and, by then it was strong.

#### Final part

As detailed above, the German nation was deeply  
divided in 1933. Following World War I, the party in  
the 1930s was divided into two main groups: the  
moderate members of the German Reichstag and the  
radical members of the party. The party was divided  
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terms with either the Social Democrats or with the Heimwehr, now powerfully supported by Italy. He chose the latter course.<sup>10</sup>

Encouraged by Mussolini, Dollfuss pursued a course which led to the crushing of the Social Democratic movement in February 1934, and the end of the Austrian experiment in democratic government.<sup>11</sup>

### Corporative State

Dollfuss took a series of drastic steps in implementing his policy of abolishing the party system. These included the proscription of the Communist Party, the foundation of the Fatherland Front, and the prohibition of all activities of the National Socialists in 1933, and the prohibition of the Social Democratic Party on February 12, 1934.<sup>12</sup> With the final submergence of the parliamentary system, Dollfuss ruled by arbitrary decree. In accordance with the Constitutional Law of May 1, 1934, a federal state along corporative, Fascist lines was established.

In a step to check the influence of Nazi Germany, Austria joined the Italo-Hungarian collaboration on March

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<sup>10</sup>MacDonald, op. cit., p. 12.

<sup>11</sup>Ibid.

<sup>12</sup>For more detailed information, see Gulick, op. cit., pp. 1404-5.

There were other social workers in the  
 community, and especially in Italy, in  
 those few years.

However, by 1934, the Italian people were not  
 in the position of the social movement because in  
 February 1934, the law of the Italian Republic is  
 democratic.

### CONCLUSION

There is a need to create a new system  
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17, 1934, according to the terms of the Rome Protocols.<sup>13</sup> Nevertheless, with the elimination of the Social Democrats the basis of Dollfuss' position became so unstable that the Austrian Nazis on July 25 attempted a putsch. Dollfuss was assassinated during that unsuccessful upheaval. This event nearly brought about an European conflagration. To prevent any German move to capitalize on the chaotic situation, Mussolini ordered Italian troops to be massed at the Brenner Pass. When no armed action followed, the incident passed peacefully, and one of Dollfuss' associates, Kurt von Schuschnigg, became the new Chancellor.

#### Growth of Nazi Pressure

Nazi pressure on the Austrian Government increased with the appointment of Von Papen as Ambassador to Austria, on the day after Dollfuss' murder. An important factor in this increasing pressure was the involvement of Italy in a war of conquest against Abyssinia. Mussolini, weakened by the Abyssinian War and defeats in the Spanish civil war, was no longer strong enough to support Austria against the mounting demands of Hitler. An agreement between Italy and

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<sup>13</sup>Two years later, March 23, 1936, three brief supplementary protocols were signed. The most significant was the second. It announced that "the three governments reconfirm their decision to undertake no negotiations of political significance without informing their two co-signers." For the details of the Rome Protocols, see Gulick, op. cit., p. 1627.



17, 1954, according to the terms of the loan agreement, the Government of the United States has agreed to provide the Government of the United States with a loan of \$100 million for the purpose of financing the construction of the Panama Canal. The loan is to be repaid by the Government of the United States over a period of 20 years. The interest on the loan is to be paid by the Government of the United States at the rate of 4 percent per annum. The loan is to be used for the purpose of financing the construction of the Panama Canal. The loan is to be repaid by the Government of the United States over a period of 20 years. The interest on the loan is to be paid by the Government of the United States at the rate of 4 percent per annum. The loan is to be used for the purpose of financing the construction of the Panama Canal.

#### Graph of Real Income

This graph shows the real income of the United States from 1900 to 1950. The vertical axis represents the real income in billions of dollars, and the horizontal axis represents the year. The graph shows a steady increase in real income over the period, with a particularly rapid increase in the 1940s. The real income was approximately \$100 billion in 1900, and it had risen to over \$400 billion by 1950. The graph also shows a period of relative stability in the 1920s, followed by a sharp decline in the 1930s due to the Great Depression. The real income began to rise again in the 1940s, and it continued to grow rapidly through the 1950s.

The graph shows that the real income of the United States has increased steadily over the past half-century. This is due to a number of factors, including technological advances, increased productivity, and a growing population. The graph also shows that the real income of the United States has grown much faster than that of other major powers, such as the United Kingdom and France. This is due to a number of factors, including the United States' position as a leading industrial power and its access to vast natural resources. The graph also shows that the real income of the United States has grown much faster than that of other major powers, such as the United Kingdom and France. This is due to a number of factors, including the United States' position as a leading industrial power and its access to vast natural resources.

Germany, which gave birth to the Rome-Berlin Axis, was concluded in late 1936 and freed Hitler to proceed against the Austrian authorities.

In the meantime, Schuschnigg had recognized the threat of Nazi Germany. When the Germans reoccupied the Rhineland, Schuschnigg opened negotiations with Germany to lessen tensions between the two governments. The result of extensive negotiations was the announcement by Hitler and Schuschnigg that on July 11, 1936, a treaty had been concluded between Austria and Germany. The significance of this document can be seen in a partial extract of the text:

1. In the sense of the declarations of the Fuhrer . . . of May 21, 1935, the German Reich government recognizes the full sovereignty of the Federal State Austria.
2. Each of the two governments considers the internal political structure existing in the other country, including the question of Austrian National Socialism, as an internal affair of the other country . . . .
3. The policy of the Austrian federal government, in general and toward the German Reich in particular, will always be based on principles which correspond to the fact that Austria professes herself to be a German state. Hereby the Protocols of Rome of 1934 and their supplements of 1936 as well as the relations of Austria to Italy and Hungary as partners to these protocols are not affected.<sup>14</sup>

Although the German position seemed tolerant, there were secret clauses in the treaty which increased the peril of anschluss. William L. Shirer, in The Rise and Fall of the

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<sup>14</sup>Gulick, op. cit., pp. 1724-1725.



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DIRECTOR OF THE FBI AND NOT TO BE FOR THE USE OF THE  
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Third Reich, made the following assessment of the Austrian concessions:

He [Schuschnigg] agreed secretly to amnesty Nazi political prisoners in Austria and to appoint representatives of the "so-called 'National Opposition'" - a euphemism for Nazis or Nazi sympathizers - to positions of "political responsibility." This was the equivalent to allowing Hitler to set up a Trojan horse in Austria.<sup>15</sup>

In effect, this was what occurred less than two years later. As Nazi propaganda in Austria was threatening to precipitate civil war, Schuschnigg was invited to meet with Hitler at Berchtesgaden. Here the Chancellor was handed an ultimatum on February 12, 1938, demanding concessions for Nazis in Austria; the alternative being invasion. Schuschnigg accepted the German terms on the next day; and Seyss-Inquart, an Austrian Nazi, and other party members were sworn into the Austrian Cabinet on February 15. Austrian Nazis officially entered the Fatherland Front with the right of free activity. Schuschnigg, however, was still convinced that the independence of Austria was of vital interest to Italy and that the past declarations of France and Great Britain still stood. Thus, he chose to hold a plebiscite, which was fixed for March 13.<sup>16</sup>

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<sup>15</sup> William L. Shirer, The Rise and Fall of the Third Reich, A History of Nazi Germany (New York: Simon and Schuster, 1960), p. 296.

<sup>16</sup> See the account of this period in Gulick, op. cit., Vol. II, pp. 1781-1853.





Hitler, no longer deterred by Italy, responded with a second ultimatum on March 11, in which the resignation of Schuschnigg was demanded. Schuschnigg complied with this threat on that same day and was immediately succeeded by Seyss-Inquart. The latter asked for German assistance and, on March 12, German forces entered Austria largely unopposed. In summary, as Charles A. Gulick put it:

By cultivating native Fascism, by appeasing Nazis, and by crushing "premature" anti-Fascists it [the Dollfuss-Schuschnigg regime] helped to fashion the Trojan Horse.<sup>17</sup>

## II. NAZI OCCUPATION 1938--1945

### Anschluss

The final act in this long chain of events occurred on March 13, when Austria became a part of the Third Reich. On the next day, the German Ambassador in the United States transmitted a note to the Department of State notifying the American Government of the Reich law of March 13, 1938.<sup>18</sup> Though Great Britain and France protested to Germany, their action was too little, too late. Seven years of Nazi control followed, marking the dismal end of the First Austrian

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<sup>17</sup>Ibid., p. 1858.

<sup>18</sup>For the text, see Green H. Hackworth, Digest of International Law, United States Department of State Publication 1506 (Washington: Government Printing Office, 1940), pp. 448-449.





Republic, together with total loss of political rights and total economic exploitation.

### Allied Concern

In November 1943, at the Moscow Meeting of Foreign Ministers, the governments of the United States, Great Britain, Soviet Union, and later France, pledged in the Moscow Declaration to re-establish a free and independent Austria.<sup>19</sup> The Allies augmented this declaration at the Yalta Conference by agreeing to promulgate the reinstatement of sovereign rights as well as self-government for all people deprived of such rights by aggressor nations. To this end, the Yalta Declaration obligated them jointly to assist

. . . the people in any of these states [Austria] to regain conditions of internal peace and to form interim representative and democratic governments, pledged to the earliest possible establishment through free elections of governments responsive to the will of the people.<sup>20</sup>

Later, on April 8, 1945, the Soviet Government published this statement:

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<sup>19</sup>For the text, see William L. Stearman, The Soviet Union and the Occupation of Austria (Bonn: Siegler and Company, 1959), p. 12.

<sup>20</sup>Herbert Feis, Churchill, Roosevelt, Stalin: The War They Waged and the Peace They Sought (Princeton: Princeton University Press, 1957), p. 549.





The Soviet Government is not pursuing the aim of acquiring any part of Austrian territory or of changing the social structure of Austria. It is maintaining the point of view of the Moscow declaration by the Allied Powers concerning the independence of Austria . . . . It will contribute to the liquidation of the regime of the German Fascist invaders and to the establishment in Austria of a democratic order and institutions.<sup>21</sup>

With this background, an examination of the Allied occupation was next undertaken, which proved that Soviet action did not coincide with the above statement.

### III. THE POSTWAR OCCUPATION 1945-1955

#### Provisional Government

Immediately following Austria's liberation by Allied forces, a Provisional Government under the leadership of Socialist Karl Renner proclaimed the Second Republic of Austria on April 27, 1945. The Soviet Army, having occupied Vienna and Eastern Austria, recognized Dr. Renner on the assumption that he would become a Soviet puppet. However, Dr. Renner showed that he was not a puppet, and the Austrian Socialist Party, emerging from eleven years of persecution, showed that it still commanded the loyalty of the Viennese workers.<sup>22</sup>

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<sup>21</sup>Roucek, op. cit., p. 312.

<sup>22</sup>Hugh Seton-Watson, From Lenin to Malenkov (New York: Frederick A. Praeger, 1953), p. 303.





The first legislative acts of this temporary government were concerned with the framework of the constitution, the re-establishment of the legal system, and the appointment of government officials. Franz Heissenberger, in The Economic Reconstruction of Austria, 1945-1952, described this early effort:

On the strength of the "Verfassungsüberleitungsgesetz" (the law to reestablish Austrian enactments for German ones), Austria was fundamentally reestablished as a democratic republic, reverting to the provisions of the Federal Constitution of 1920, as amended in 1929.<sup>23</sup>

The frontiers of the country remained those established by the Peace Treaty of 1919.

A Control Council Agreement of July 5, 1945, determined the relations between the occupying powers. Following the arrangement agreed upon, Austria was divided into four occupation zones on July 9, 1945, on somewhat the same pattern as Germany.<sup>24</sup> There was one important distinction, however, between the occupation imposed upon the two states. The expressed purpose of the occupation of Austria was to

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<sup>23</sup> Franz Heissenberger, The Economic Reconstruction of Austria, 1945-1952, A Report on Postwar Developments (Washington: Library of Congress, 1953), p. 18.

<sup>24</sup> The zones of occupation were as follows: Russian-Lower Austria, Burgenland, and the agricultural part of Upper Austria; British-Styria and Carinthia; American-Industrial part of Upper Austria and Salzburg; and the French-Tyrol and Vorarlberg. The basis of the division of Upper Austria was apparently the Soviet intention of controlling both politically and militarily the southern frontier of Czechoslovakia.





maintain control only to permit the establishment of a representative and democratic Austrian Government which would have full authority throughout the whole of the country.<sup>25</sup>

Subsequently, on August 23, the supreme occupation and control authority became the Allied Commission for Austria. This consisted of an Allied Council in Vienna, an executive committee, and staffs appointed by the four governments concerned. The primary tasks of the Allied Council for Austria were to achieve the separation of Austria from Germany; to secure the establishment of a central Austrian administrative machinery; to prepare the way for an elected Austrian Government; and to provide an effective administration in the meantime.

On October 20, 1945, the Renner Government was recognized by the Allied Occupying Powers on the condition that a general election be held before the end of the year.<sup>26</sup> The national election was duly conducted on November 25 without any duress, and the provisional government resigned three

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<sup>25</sup>United States Congress, House, Committee on Foreign Relations, Special Study Mission to Poland and Austria, 87th Congress, 2d Session (Washington: Government Printing Office, 1962), p. 16.

<sup>26</sup>See the account of this early postwar period in Gordon Shepherd, The Austrian Odyssey (London: Macmillan and Company, Ltd., 1957), pp. 172-182. For a discussion on recognition, see William L. Stearman, The Soviet Union and the Occupation of Austria (Bonn: Siegler and Company, 1959), p. 16.



national interest only to permit the advancement of a wide-  
ranging and comprehensive foreign policy which would  
have this country standing in the ranks of the world.<sup>12</sup>  
Accordingly, on August 27, the Senate Committee  
on Foreign Relations passed the bill providing for  
the creation of the National Council on Foreign Affairs.  
This measure is an all-out effort to bring an  
effective committee, and early passage by the Senate  
Governmental Committee. The primary goal of the bill  
Council for Foreign Affairs was to create an organization of  
experts from various fields to advise the President on a wide  
range of foreign policy matters, including the study  
for an elected foreign policy committee, and to provide an advisory  
role in the administration of the President.

On October 30, 1946, the Senate Committee on Foreign  
Relations passed the bill providing for the creation of a  
National Council on Foreign Affairs. The bill was  
passed by the House of Representatives on November 15, 1946.  
The bill was signed by the President on November 15, 1946.  
The bill was signed by the President on November 15, 1946.  
The bill was signed by the President on November 15, 1946.

<sup>12</sup> "The National Council on Foreign Affairs," *Foreign Affairs*,  
Vol. 23, No. 1, p. 1. The bill was signed by the President  
on November 15, 1946.

<sup>13</sup> "The National Council on Foreign Affairs," *Foreign Affairs*,  
Vol. 23, No. 1, p. 1. The bill was signed by the President  
on November 15, 1946.

days later in favor the new government. The Political Cabinet Council accepted its resignation and called on the Austrian People's Party to nominate someone to form the government.<sup>27</sup>

### Coalition Government

On December 3, 1945, a committee of newly-elected members of Parliament selected Dr. Leopold Figl, as Chancellor. Along with Vice Chancellor Adolf Schaerf, a Socialist, the Chancellor formed the first coalition government, which the Allied Council approved on December 18. On December 20, the two Houses of Parliament met in joint session and, with a vote of 204 out of 205, elected ex-Chancellor Renner as the first President. The new President's first official function was to swear in the members of the new government.

The powers of the Government and Parliament were defined by quadripartite agreement in 1946. The Occupying Powers agreed, on June 28, 1946, to a new control agreement which substantially enlarged the authority of the Austrian Government. All laws enacted by the government, with the exception of constitutional provisions and international agreements, now became effective after thirty-one days

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<sup>27</sup>This body, in addition to acting as an inner Cabinet, temporarily formed the supreme executive authority and carried out the duties previously performed by the President.

days later in favor of the new government. The Political  
Cabinet Council accepted its resignation and called on the  
American people to help it establish a new government.  
government.<sup>17</sup>

Coalition Government

On October 1, 1911, a coalition of party-elected  
members of Parliament, including Mr. Joseph Weyland, an Ontario  
lawyer, along with the Honorable Louis St. Laurent, a socialist,  
the Honorable James D. Macpherson, a conservative, and  
the Honorable Charles D. Stewart, a socialist, in October 1911,  
the two houses of Parliament met in joint session and after  
a vote of 104 out of 105, elected the Honorable Joseph Weyland  
the first President. The new President's first official  
function was to meet in the House of Commons in the new government.  
The House of Commons was re-elected after  
being re-qualified in January in 1911. The majority  
toward 1911, on June 12, 1911, to a new coalition government  
which included both the Honorable Joseph Weyland and the Honorable  
Government. All laws passed by the government, with the  
exception of constitutional legislation and international  
agreements, now become effective after thirty-one days

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<sup>17</sup>This body, in addition to being an advisory body,  
also, temporarily during the transition period, was  
called out and acted previously by the President.



unless disapproved by the Allied Council. As the veto had to be unanimous, this rule ensured that the majority of laws became effective, even if they met with Soviet opposition. The power of the government was further expanded in December, when the Occupying Powers authorized it to conclude trade agreements with foreign governments and to establish diplomatic missions abroad.<sup>28</sup>

### Domestic Recovery

Austria achieved political and economic stability in a relatively short time, although serious economic difficulties associated with reconstruction remained.<sup>29</sup> In addition, the food supply was inadequate in the early postwar period with the bulk of imports consisting of foreign relief consignments. On July 2, 1947, the Austrian Government submitted an application for membership in the United Nations. This request was rejected by the Soviet Union in the Security Council, and continued Soviet opposition kept Austria out of the world organization for another eight years. In the meantime, Austria was able to join the Specialized Agencies of the United Nations and by 1952 had become a member of all the agencies except one.

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<sup>28</sup>Hans Kohn, The Future of Austria (New York: Foreign Policy Association, 1955), p. 16.

<sup>29</sup>For further details, see infra, pp. 141-143.





An Austrian delegation attended the European Conference in Paris from July 12 to September 23, 1947, at which the broad principles of European cooperation for reconstruction were promulgated. Thereafter, with Marshall Plan funds for capital investments, significant progress was made in nearly every sector of the economy during the process of rebuilding. After a comprehensive currency reform in November, the economy revived, and the way was opened for future prosperity and social advance.

Despite the enormous property destruction and great loss of life, the new Austrian state had undergone a transformation which permitted it to meet the serious challenges ahead. The nation had achieved two clear advantages that they had lacked between the wars: clear common objectives and a faith in Austria.<sup>30</sup> Union with Germany and federation with the neighboring Balkan states, both prewar suggestions for change, were no longer demanded. Instead, Austrians wanted a country of their own. This patriotic spirit enabled the nation to resist Communism and the effects of the Soviet occupation.

### Soviet Abuse

During the decade of Allied occupation, the Soviets

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<sup>30</sup> Hiscocks, op. cit., p. 9.

...the American delegation returned the Japanese Consul-  
...to Kaito from July 15 to September 28, 1947, at which  
...the school principal at Nanyang University for assistance  
...also were encouraged. Nevertheless, when financial times turned  
...the capital investment, significant progress was made in  
...exactly every sector of the economy during the period of  
...celebrating. After a comprehensive survey, it was con-  
...for the second survey, and the way was opened for future  
...development and social progress.



progressively exploited their zone in Lower Austria. Under the Potsdam Agreements, the Soviets were given control of all German assets in their zone. These included plants which constituted about 30 per cent of the industry in the Soviet Zone and 10 per cent of the total Austrian industry, oil resources which accounted for 95 per cent of the country's oil production, and refineries which accounted for about 80 per cent of the refinery capacity in Austria.<sup>31</sup>

#### Drive for Independence

The Austrian Government pressed the Allies for ten years for the signing of a State Treaty. During this waiting period, Austria remained outside the mainstream of international politics. William H. Hale, in an article in Reporter, concluded that "Austria benefited from a stability from weakness, since the state was too small to divide."<sup>32</sup>

As Austria was involved in the Second World War as an integral part of the Third Reich, no peace treaty was required since a declared state of war had never existed between Austria and the Allied nations. However, a State Treaty was necessary to specify those conditions under which Austria could regain her sovereignty. The Allied Powers

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<sup>31</sup>United States Congress, House, op. cit., p. 16.

<sup>32</sup>William H. Hale, "Political Reunion in the Vienna Woods," Reporter, May 5, 1955, p. 22.





held nearly four hundred meetings at various levels on this issue between 1947 and 1955. The Western Powers made every effort to conclude the treaty, but the Soviets, time after time, found new and irrelevant excuses for refusing agreement.<sup>33</sup>

In 1952 the United Nations General Assembly discussed the Austrian matter. A resolution calling upon the Four Powers to terminate the occupation was adopted on December 20, 1952. The Soviet Government chose to ignore this resolution, and the issue remained stalemated.

#### State Treaty

In February 1955, the Soviets suddenly altered their established policy toward an Austrian settlement. On February 8, Soviet Foreign Minister Molotov delivered a foreign policy speech in which he stated that if the Austrian State Treaty was signed, Allied troops could be withdrawn before the German Peace Treaty was signed provided there were sufficient guarantees against another Anschluss.<sup>34</sup> The Foreign Minister also called for another Four Power

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<sup>33</sup> John F. Dulles, Hearing before the Committee on Foreign Relations, United States Senate, 84th Congress, 1st Session on Executive C, "The State Treaty for the Reestablishment of an Independent and Democratic Austria, signed at Vienna, on May 15, 1955," June 10, 1955, p. 2.

<sup>34</sup> Stearman, op. cit., p. 148.

held nearly 200 meetings at various levels on this issue between 1955 and 1961. The document remains very close to the original, but the Soviet, and other, lines, found new and important reasons for refusing to sign.

In 1961 the United Nations General Assembly discussed the situation further. A resolution calling for the free flow of information was adopted and the Soviet Union refused to sign it. The Soviet government chose to ignore this resolution, and the issue remained unresolved.

### State Policy

In February 1955, the Soviet Union adopted a new national policy based on national self-interest. In February 5, Soviet foreign minister Gromyko delivered a long speech in which he stated that it was the Russian State Policy and interest, which would be to maintain peace and stability in the world, and to prevent any further escalation of the arms race. He stated that the Soviet Union was not interested in any kind of nuclear war, and that it was not interested in any kind of nuclear arms race. He stated that the Soviet Union was not interested in any kind of nuclear arms race, and that it was not interested in any kind of nuclear arms race.

<sup>23</sup> John F. Dulles, Secretary of State, and Committee on Foreign Relations, United States Senate, 1955-1961, 1961-1962, 1962-1963, 1963-1964, 1964-1965, 1965-1966, 1966-1967, 1967-1968, 1968-1969, 1969-1970, 1970-1971, 1971-1972, 1972-1973, 1973-1974, 1974-1975, 1975-1976, 1976-1977, 1977-1978, 1978-1979, 1979-1980, 1980-1981, 1981-1982, 1982-1983, 1983-1984, 1984-1985, 1985-1986, 1986-1987, 1987-1988, 1988-1989, 1989-1990, 1990-1991, 1991-1992, 1992-1993, 1993-1994, 1994-1995, 1995-1996, 1996-1997, 1997-1998, 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024, 2024-2025, 2025-2026, 2026-2027, 2027-2028, 2028-2029, 2029-2030, 2030-2031, 2031-2032, 2032-2033, 2033-2034, 2034-2035, 2035-2036, 2036-2037, 2037-2038, 2038-2039, 2039-2040, 2040-2041, 2041-2042, 2042-2043, 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Conference to discuss the German issue and the Austrian State Treaty and pointed out the dangers to Austria which would accompany the ratification of the Paris agreements.

This policy reversal coincided with the Western European parliamentary actions which assured the coming into force of the Paris Accords for restoring sovereignty to the Federal Republic of Germany, creating the Western European Union, and bringing the Federal Republic of Germany into the North Atlantic Treaty Organization.<sup>35</sup> This address was followed by several meetings on February 25 and March 2 between Molotov and the Austrian Ambassador Bischoff. As way of a response, Austria replied in a note dated March 14, 1955, that the Austrian Government welcomed every guarantee for its independence, and indicated a willingness to discuss these points before a general conference on the State Treaty was held.

On March 24, Molotov informed Ambassador Bischoff that the Soviet Government acquiesced in principle to the Austrian suggestion and invited Austrian representatives to come to Moscow to discuss the State Treaty. The Austrian Government accepted this invitation and later received Western approval for this bilateral meeting. The Austrian delegation, which included Chancellor Raab and Foreign

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<sup>35</sup>Dulles, op. cit., p. 2.



Conference to discuss the German issue and the Russian issue. The Soviet Government is anxious to discuss the German issue and the Russian issue. The Soviet Government is anxious to discuss the German issue and the Russian issue.

This policy is based on the following considerations:

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Minister Figl from the People's Party, Vice Chancellor Schaerf and State Secretary for Foreign Affairs Kreisky from the Socialist Party, arrived in the Soviet capital on April 11.

Discussions began on the next day and were concluded with the signing of a Memorandum on April 15. In this accord, the two delegations came to an understanding binding the Austrian delegation to carry out the following decisions and measures:

1. Referring to the declaration made at the conference of Berlin in 1954 neither to join in a military alliance nor to allow foreign military bases in its territory, the Austrian Government will make a declaration in a form which will obligate Austria internationally to practice in perpetuity a neutrality of the type maintained by Switzerland.
2. After having ratified the State Treaty, the Austrian Government will submit this declaration to the Austrian Parliament for confirmation according to the Constitution.
3. The Austrian Government will take all suitable steps to obtain international recognition of this declaration.
4. The Austrian Government will welcome a guaranty by the four Powers of the independence and territorial integrity of Austria.
5. The Austrian Government will seek to obtain from the governments of France, Great Britain, and the United States of America such a guaranty.<sup>36</sup>

On April 19, the Soviet Government, in identical notes to the three Western Powers, proposed that the four Foreign Ministers meet in Vienna with Austrian

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<sup>36</sup>United States Congress, Senate, Committee on Foreign Relations, Hearings, 84th Congress, 1st Session, on Executive G. The American Journal of International Law, Supp. 191, 1955, p. 40.





representatives to discuss and sign the State Treaty. On April 22, the Western Powers agreed to the aforementioned meeting. History was made with the signing of the treaty on the morning of May 15, 1955; and after seventeen years of foreign occupation, Austria was proclaimed independent.

There were eight principal provisions in the State Treaty.<sup>37</sup> First, Austria was re-established as a sovereign, independent, and democratic state. The Four Powers declared their intention to respect the independence and territorial integrity of Austria within the former frontiers as of January 1, 1938. A joint statement was also made to incorporate into the future German Peace Treaty provisions for securing from Germany the recognition of Austrian sovereignty. Political or economic union between Austria and Germany was prohibited. In return for approximately three hundred factories and other former German assets, Austria agreed to pay the Soviet Union \$150 million in goods over a six-year period. The Soviet Union handed back the Danube Navigation Company for a payment of \$2 million. The Soviets further agreed to return Austrian oilfields held in exchange for ten million tons of crude oil to be delivered over a

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<sup>37</sup>For the text, see United States Department of State, United States Treaties and other International Agreements, #3298, Vol. 6, Part 2 (Washington: Government Printing Office, 1956), pp. 2369-2535.





period of ten years. Under the Austro-Soviet agreement concluded in July 1960, oil deliveries after July 1961 were reduced and the final year's delivery eliminated. Finally, the Hapsburgs were barred from the Austrian throne.

### Allied Withdrawal

The State Treaty came into force on July 27, when the French Government, last of the five governments to do so, deposited its ratification of the treaty with the Soviet Foreign Ministry in Moscow. This date also marked the last meeting of the Allied Council and the abolition of the Allied Military Command in Austria. Final withdrawal of all Allied forces was scheduled for October 25, which marked the end of the ninety-day period specified in the State Treaty. The last troops actually left the country on October 21, and the withdrawal was completed.

### Price of Liberty

The background of the Second Austrian Republic has been traced, which established that Austria had been plagued by numerous problems and instability, in the period between 1918 and 1955. The enactment of the State Treaty was the climax of the Austrian drive for independence and the beginning of a new policy of neutrality.

The neutralization of Austria was the price paid for Soviet assent to the State Treaty. In turning to a discussion





of Austria's neutrality, it is appropriate to recall that neutrality occurred as the result of fulfilling an international obligation arising out of the 1955 Moscow Memorandum. Thus, a state which in its recent past had alternated between a center of power and a power vacuum in Central Europe has become a neutral buffer state between the NATO and Warsaw Pact countries.

It should be noted that the State Treaty contained nothing about Austria's permanent neutrality. On May 15, 1955, after the State Treaty was signed, the Austrian Government submitted a Constitutional Bill to Parliament, in which Austria pledged to remain a perpetual neutral. In the next chapter, the nature and influence of that neutrality is covered.





## CHAPTER III

### PERMANENT NEUTRALITY

Neutrality exists in many forms. Each neutral state must shape its own neutrality which actually is not a condition, but a continuous task. In the following sections, an examination was made of the Austrian version of neutrality.

#### I. CONCEPT

Herman Frohman, writing in the spring of 1956, made the following evaluation of neutrality:

In terms of practical politics neutrality may be considered as the foreign policy of any state which involves itself in varying degrees of participation, of political action or inaction, in world affairs. The degree of neutrality which may be exercised by a nation can be directly related to the amount of sovereignty it enjoys. This sovereignty is determined by the freedom and independence with which the nation makes its decisions, without being forced or influenced by foreign pressure. Also, a nation's degree of weakness will determine its limitations and, consequently, the character of its neutrality . . . .<sup>1</sup>

#### Berlin Foreign Ministers Meeting

Austrian representatives as early as 1947 advocated a neutral status for their country. At the Foreign Ministers Meeting in Berlin in February, 1954, the Western Powers

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<sup>1</sup>Herman Frohman, "An Analysis of Neutrality and Modern Neutralism," Journal of International Affairs, Vol. XII, No. 2, 1958, p. 187.





insisted that Austria should be free to choose military neutrality, but that it should not be forced into such a status by the State Treaty.<sup>2</sup> On February 16, Secretary Dulles, representing the United States, echoed this policy:

A neutral status is an honorable status if it is voluntarily chosen by a nation. Under the Austrian State Treaty as heretofore drafted, Austria would be free to choose for herself to be a neutral nation. Certainly, the United States would fully respect Austria's choice in this respect.<sup>3</sup>

On the same day, Austrian Foreign Minister Figl stated:

I have stated unambiguously that Austria will do everything to keep herself free from foreign military influence.<sup>4</sup>

#### Relation to World Problems

It was with this background that the Austrian State Treaty and Neutrality Act came into force. The Soviets did not attempt to disguise the fact that they regarded the State Treaty as a means to lure the Federal Republic of Germany into neutralism and away from the newly-formed military alliance with the North Atlantic Treaty Organization and the Western European Union. Despite this, an Austrian interpretation of the applicability of the so-called

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<sup>2</sup>See Foreign Ministers Meeting: Berlin Discussions, January 25 to February 18, 1954, United States Department of State Publication No. 5399 (Washington: Government Printing Office, 1955), pp. 188-208.

<sup>3</sup>Ibid., p. 204.

<sup>4</sup>Ibid., p. 206.



included that certain members of the so-called "left wing" were  
 friendly, but that in general they were not a factor  
 in the "left wing" of the party, and that the "left wing" was  
 represented by the United States, and the "right wing" by the  
 United States.

A number of other things were said, but they were not  
 particularly important. The main point was that the  
 "left wing" was not a factor in the party, and that the  
 "right wing" was not a factor in the party. The main point  
 was that the "left wing" was not a factor in the party, and  
 that the "right wing" was not a factor in the party.

On the next day, I learned from the "left wing" that they

I have stated previously that the "left wing" was not a  
 factor in the party, and that the "right wing" was not a  
 factor in the party. The main point was that the "left wing"  
 was not a factor in the party, and that the "right wing" was  
 not a factor in the party.

#### Left wing of the party

It was with this background that the "left wing" was

friendly and friendly. And they were two people, the "left wing"

and the "right wing" of the party. The main point was that the

party was not a factor in the party, and that the "right wing"

was not a factor in the party, and that the "left wing" was

friendly and friendly. And they were two people, the "left wing"

and the "right wing" of the party. The main point was that the

party was not a factor in the party, and that the "right wing"

was not a factor in the party, and that the "left wing" was

friendly and friendly. And they were two people, the "left wing"  
 and the "right wing" of the party. The main point was that the  
 party was not a factor in the party, and that the "right wing"  
 was not a factor in the party, and that the "left wing" was

friendly and friendly. And they were two people, the "left wing"  
 and the "right wing" of the party. The main point was that the

"Austrian solution" to other countries was ably expressed by Foreign Minister Kreisky in a Zurich speech on May 4, 1960:

. . . nowhere, since 1955, can one find a clear statement by a responsible Soviet statesman indicating that the neutrality of Germany would lead to reunification. I still remember a comment by one of the most important personalities in the Kremlin who . . . told me that relations with a country of seven million can be regulated by a . . . treaty document, but in the case of a country of seventy million relations are not so easily arranged. The example of Austria has misled many political observers to believe that neutrality, as such, could possibly be brought in everywhere in all situations, to solve outstanding world problems. We believe that . . . it is like disarmament, only possible when it does not result in a change in the international political balance. A policy of neutrality is a state's expression of will. Today it can hardly be imposed on a large country from without . . . this, of course, could be done at a time of national weakness, but no one could, without belligerent intervention prevent this state . . . from deciding on a change in its basic policy.<sup>5</sup>

### Swiss Model

Switzerland, which was specifically cited as the example of neutrality for Austria in the 1955 Moscow Memorandum, had had generations of experience in developing a concept and practices of neutrality. It was immediately apparent to Austrian leaders that the country's neutrality would differ appreciably from the Swiss model. There were essential differences, particularly in national background

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<sup>5</sup>William L. Stearman, The Soviet Union and the Occupation of Austria, An Analysis of Soviet Policy in Austria, 1945-1955 (Bonn: Siegler and Company, 1959), p. 166.

\*Ausgaben millionen\* In other countries was only entered in

Foreign Affairs Policy in a Danish context on Dec 4, 1999

[illegible]



and location. Even more significant was Austria's intention to join the United Nations--a step that the Swiss Government considered inconsistent with neutrality. Consequently, no reference was made to Switzerland in the Austrian Constitutional Law.

## II. LEGAL FOUNDATION

### Constitutional Statute

On October 26, 1955, the day after the termination of the Allied occupation, a Constitutional Law on Austria's permanent neutrality was enacted. This brief statute reads in its principal Article I:

- (1) In order to preserve its permanent independence in relation to the outside world and the inviolability of its territory, Austria proclaims by its free will its perpetual neutrality. Austria will maintain and defend this neutrality by every means at its disposal.
- (2) Toward this aim, Austria will never participate in military alliances and will not permit the establishment of military bases of its territory.<sup>6</sup>

When this statute came into force on November 5, a status hitherto unknown in Austria's history was established.

The avowed purpose of the statute was to announce Austria's perpetual or permanent neutrality, which constituted a declaration of policy. If this had amounted to

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<sup>6</sup>United States Department of State Bulletin, Vol. 33, December 19, 1955 (Washington: Government Printing Office, 1956), p. 1011.





being all that was involved, then this would not have had the effect of making Austria a permanently neutral state in international law. However, as mentioned in the last chapter, Austria did not make this unilateral declaration of its own free will. Despite the expressed purposes of preserving its independence and territorial integrity, the unwritten reason was to fulfill a condition demanded by the Soviet Union. Josef L. Kunz, in "Austria's Permanent Neutrality," recognized this obligation and concluded that because of it, Austria's declaration had an international legal effect.<sup>7</sup>

### Recognition

Austria's neutrality was recognized by the former Occupying Powers in identical notes dated December 6, 1958.<sup>8</sup> The government of the Federal Republic of Germany made a similar declaration on December 8. With this recognition by the permanent members of the Security Council and many other states, Austria's permanent neutrality came into existence in international law; since recognition bound the recognizing states to respect permanent neutrality.<sup>9</sup>

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<sup>7</sup>Josef L. Kunz, "Austria's Permanent Neutrality," The American Journal of International Law, 50 (April, 1956), p. 421.

<sup>8</sup>For the text of United States note, see Paul E. Zinner (ed.), Documents on American Relations 1955 (New York: Harper and Brother, 1956), p. 163.

<sup>9</sup>Kunz, op. cit., p. 424.





### III. AUSTRIAN INTERPRETATION

#### Initial Statements

Shortly before the State Treaty was signed, Chancellor Raab in describing the nature of Austria's neutrality declared:

The Christian-Western basic principles and the intellectual adherence to the Western World are a foregone conclusion which forms the basis of a constructive policy of neutrality.<sup>10</sup>

After a debate between spokesmen of the People's and Socialist parties as to the official interpretation of the new policy, Chancellor Raab on October 26, 1955, described the Austrian brand of neutrality to Parliament:

Neutrality obligates the state, but not the individual citizen. The intellectual and political freedom of the individual, especially the freedom of the press and expression of opinion is not affected. Also, there is, therewith, no basis for a pledge to ideological neutrality. I want to further stress . . . that the military neutrality . . . will contain no commitments and obligations in economic and cultural areas.<sup>11</sup>

#### Military Neutrality

The aforementioned Constitutional Law of October 1955 only cited three duties, two of which were negative. In deference to the wishes of the Soviet Union, the negative duties were not to accede to military alliances nor to

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<sup>10</sup>Stearman, op. cit., p. 171.

<sup>11</sup>Ibid., p. 172.





permit the establishment of foreign military bases on Austrian territory. The lone positive duty, inspired by the Western Powers, was to defend its neutrality with all means at its disposal. The prominence given by the Austrian statute to these three duties emphasized the military character of Austria's permanent neutrality and its freedom of internal and foreign policy in all other respects.<sup>12</sup>

The Austrian Government has taken certain steps to reinforce the official view of being only a military neutral. In December 1955, after joining the United Nations, Chancellor Raab stated that:

For a country which has declared itself militarily neutral it is of special importance that it should belong to the United Nations, as this membership will give it security and support in its foreign policy.<sup>13</sup>

Another step was the expulsion of the Communist-front "World Federation of Trade Unions" headquarters from Austria in early 1956 for violating Austrian law.<sup>14</sup> In their decision to join the Council of Europe in April 1956, the Austrians acknowledged that they were part of the Western World. Thus, Austrian neutrality comes between that of Sweden, which is also a member of the Council of Europe, and that of

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<sup>12</sup>Kunz, op. cit., p. 424.

<sup>13</sup>News item in The New York Times, December 16, 1955.

<sup>14</sup>Austrian Information, (February 11, 1956), 2.





Switzerland, which has remained outside. Finally, in his 1964 Policy Declaration, Chancellor Klaus stated that he realized how important neutrality had been for the country. He reiterated that the strictest loyalty to international agreements must remain the basis of trustful relations.<sup>15</sup>

#### IV. NEUTRALITY AND THE CHARTER OF THE UNITED NATIONS

##### Rights and Duties of Neutrals

Before considering the obligations of membership in the United Nations, it was useful to recall the international rights and duties of a permanent neutral as established by the legal development and permanent practices of Switzerland. Alfred Verdross, an authority on international law, wrote in "Austria's Permanent Neutrality and the United Nations Organization" that:

1. The permanently neutral state is bound to obey the international rules of neutrality during a war between other countries. 2. It is not only entitled, but also obliged, to defend its territory by all means against any foreign attack. Permanent neutrality therefore must be an armed neutrality. 3. It may not enter into any obligations in peacetime which may involve it in war. It is not allowed to make treaties of alliance, assistance, protection, or guaranty with other nations. It must not allow other states to erect military bases in its territory, as it may thereby be involved in war. 4. It may, however, apply to other Powers for a guaranty of the integrity

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<sup>15</sup>Austrian Information (May 1, 1964), 5.



statements, which are contained in the report of the  
 1944 Policy Committee. Committee report states that the  
 Council was organized specifically and solely for the purpose  
 of facilitating the exchange of information between  
 governments and certain other bodies of special interest.<sup>17</sup>

## IV. SUMMARY AND CONCLUSIONS

### THE UNITED NATIONS

#### Effect on Status of Subjects

Before considering the significance of membership in  
 the United Nations, it was noted in the introduction  
 that the United Nations is a permanent body of states  
 created by the United Nations Conference on International  
 Organization. Among members, as previously mentioned,  
 are, more in substance, permanent members and the United  
 Nations Organization, etc.

1. The permanent members of the United Nations are the  
 United States, Great Britain, France, the Soviet Union,  
 and China. It is not only a permanent body but also  
 one which is open to all states by all means  
 except any foreign restrictions. Permanent membership  
 therefore must be an honorific title. It is not  
 one which is given to states which are permanent  
 members of the United Nations. It is not a title  
 on which, as a result of the United Nations Conference  
 on International Organization, or otherwise, any  
 other nation. It was not given to states which  
 were already members of the United Nations. It is not  
 given to states which are not members of the United  
 Nations. It is not given to states which are not  
 members of the United Nations. It is not given to  
 states which are not members of the United Nations.

<sup>17</sup> United Nations, 1944, p. 1.

of its own territory. 5. It is absolutely free in its domestic and foreign policy as far as it has no other agreements. 6. In particular, it is not bound to observe an ideological neutrality. When ideological neutrality was demanded by a few Nazi authors this demand was rejected by Switzerland. The freedom of the neutral press was expressed in the Hague Convention on Neutral Rights and Duties (1907).<sup>16</sup>

### Compatibility with Charter

The admission of Austria to membership in the United Nations indicated that its perpetual neutralized status was considered compatible with participation in the world organization, since Austria was not granted a special legal status. Such acceptance depended on the reasoning that this member of the United Nations, in view of its neutrality, would not be called upon by the Security Council to participate in economic or military sanctions. Such measures are a clear violation of neutrality, as outlined above.

There were provisions in the Covenant of the League of Nations which provided that all members were obligated to take immediate economic steps against an aggressor and to permit the transit of troops through their territories. In contrast, the rules of the United Nations Charter are more flexible. It is stipulated in Article 39 that the Security Council is only entitled to determine the existence of

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<sup>16</sup> Alfred Verdross, "Austria's Permanent Neutrality and the United Nations Organization," The American Journal of International Law, 50 (January 1956), pp. 63-64.





threats to the peace, and to decide what measures shall be taken to maintain or restore international peace. Alfred Verdross points out:

Therefore, United Nations members are not bound to take immediate action against an aggressor, as was the duty of the League's members.<sup>17</sup>

The Security Council is authorized to deal with the problem of aggression and may, thus, excuse individual members from taking active measures to restore the peace. Furthermore, participation in certain measures, such as the granting of transit rights in accordance with Article 43 of the Charter, depends on special agreements between the Security Council and the individual member state. Since the permanent members of the Security Council have recognized Austria's neutrality, they are obliged not to call upon Austria to participate in any action which might compromise her neutrality. Even if the Security Council was unable to act due to the exercise of a veto, Alfred Verdross still considered it possible for Austria to maintain an impartial position in dealing with an act of aggression against another state because:

In this situation, as well as during the time before action of the Security Council, the states have the right of individual or collective self-defense under Article 51 of the Charter. But they are not obliged to assist the state attacked by the aggressor, not

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<sup>17</sup>Ibid., p. 65.



There is no need to be concerned with the possibility of a "leak" of information from the program to the public. The program is designed to be a "closed" system, and the information generated is not to be released to the public.

THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL AS THE SAME APPEARS IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, THIS 14TH DAY OF JANUARY, 1964.

The Kennedy Group is expected to deal with the  
problem of operations and, that, would involve some  
kind of a new organization to handle the work.

the classical (static or kinetic) equilibrium, lattice and

University Council and the National Science Foundation. Since 1960, the National Science Foundation has been the primary source of funding for the program. The program is now a part of the National Science Foundation's Office of Biological Sciences.

THESE ARE THE RESULTS OF THE RESEARCH CONDUCTED BY THE  
BUREAU OF THE ARMY CORP OF ENGINEERS, WASHINGTON, D. C.

1. The first step is to identify the problem or goal. This involves understanding the current situation and what needs to be achieved.

22. This document, as well as many other documents, contains information of a confidential nature, the disclosure of which to unauthorized persons could result in the identification of confidential sources and the compromise of the national defense. It is the policy of the Department of Defense to protect this information from unauthorized disclosure.

even in the case of a recommendation by the General Assembly, because such recommendations are not legally binding. In both cases the states can choose in accordance with Article 51 whether to help the victim of aggression by military or economic sanctions or to maintain neutrality.<sup>18</sup>

## V. MILITARY DEFENSE

### National Opposition

Austrian Foreign Minister Bruno Kreisky recently remarked that "neutrality means qualified independence on one side and the determination to defend it, on the other."<sup>19</sup> When Austria accepted the status of neutrality, it unconditionally agreed to defend its independence and territory by all means at its disposal against foreign attack. Since permanent neutrality was equated with armed neutrality by the former Occupying Powers, it became necessary for Austria to rebuild a national military establishment capable of fulfilling the mission described above.

Although the right to rearm was restored to Austria by the State Treaty, the Government's efforts along these lines were hindered by widespread public opposition founded on an abhorrence of the use of force. Along with this repugnance to rearmament, which stemmed from before the

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<sup>18</sup>Verdross, op. cit., p. 67.

<sup>19</sup>Austrian Information (May 15, 1964), 3.

even in the case of a recommendation by the Council  
Assembly, however, such recommendations are not  
binding. In fact, since the Council has no  
power to enforce its decisions it is bound to rely on  
the good will of the States to carry out its  
recommendations. It is not possible to enforce its  
recommendations.

#### 4. THE COUNCIL

##### Composition

The Council is composed of twelve members, namely the  
States which have signed the Convention, and the  
States which have been invited to do so by the Council.  
The Council is elected by the States which have signed  
the Convention, and the States which have been invited  
to do so by the Council. The Council is elected for a  
period of four years, and its members are eligible  
for re-election. The Council is the highest authority  
in the organization, and it is responsible for the  
administration of the Convention. The Council is also  
responsible for the interpretation of the Convention,  
and for the settlement of disputes between the States  
which are parties to the Convention. The Council is  
also responsible for the promotion of the aims and  
objects of the Convention.

Although the Council is the highest authority in the  
organization, its decisions are not binding on the  
States which are parties to the Convention. The Council  
is also responsible for the promotion of the aims and  
objects of the Convention. The Council is also  
responsible for the settlement of disputes between the  
States which are parties to the Convention. The Council  
is also responsible for the promotion of the aims and  
objects of the Convention.

10. The Council is the highest authority in the  
organization.

11. The Council is also responsible for the  
promotion of the aims and objects of the Convention.



German collapse, was a popular slogan to the effect that "Little Austria is not capable by herself of offering an effective defense against attacks upon her borders."<sup>20</sup>

Further, many Austrians were unwilling to be burdened with the high costs of maintaining a defense force. Finally, the Austrian Communist Party opposed the creation of a popular army and conducted a vigorous propaganda program. This action was taken independently of Soviet instructions, since earlier the Soviet Government had agreed to the armed neutrality of Austria in the 1955 Moscow Memorandum.

#### Creation of Army

The Government of the United States agreed on September 27, 1955, to let Austria have \$22 million worth of military property for a token payment and a pledge to settle outstanding claims. The total amount of material left behind by United States Forces in Austria was valued at \$40 million. Austria also inherited surplus equipment from the Soviet Union and the United Kingdom. A general conscription law was enacted by Parliament, and the Army and Air Force were virtually created from scratch, patterned after a blend of the Swiss and Swedish military establishments. All ethnic groups of the national community were represented in the military.

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<sup>20</sup>Austrian Information (March 10, 1963), 3.





According to the National Defense Act, the purpose of the Army is to protect the State's frontiers and constitutional institutions, as well as to maintain domestic order if called upon. The Army is also obliged to assist in times of natural disasters. While in office, the late Chancellor Raab stated:

Austria does not want to participate in any kind of competitive armament. She has no intention of threatening anyone and will always be committed to defensive roles.<sup>21</sup>

This summarized a typical Austrian attitude and alludes to the type of operational planning for which Austrian military staffs must prepare.

In August 1956, the Federal Ministry of National Defense was created. Operational control was shifted from the National Defense Office in the Federal Chancellery to the new ministry. The formal role of Commander-in-Chief remained in the person of the President. Technical and administrative military matters are reviewed by the National Defense Council, whose membership includes the Chancellor, Vice Chancellor, Minister of Defense, and two representatives from the Steering Committee of Parliament.

A number of unprovoked incidents involving Communist aircraft occurred in 1956 along the frontiers with Hungary

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<sup>21</sup>Austrian Information (February 11, 1956), 1.

At present, the only way to get a copy of the report is to write to the National Commission on the Status of Women, 1200 New York Avenue, N.W., Washington, D.C. 20004. The report is available for \$1.00 per copy. The report is also available for \$1.00 per copy. The report is also available for \$1.00 per copy.

This document is a typical business letter and should be  
the type of operational planning for which business letters  
are used.

[illegible]



and Czechoslovakia. These air violations convinced many Austrians who had opposed rearmament that it was not only prudent to be an armed neutral, but necessary to achieve a high state of military preparedness as rapidly as possible. From a token police force in 1955, the Austrians have been able to organize and equip a modern defense force of some sixty thousand men. Although the military is neither large nor combat tested, the nation shares the confidence that this strength adds immeasurable force to the legal obligations placed upon other states by formal recognition of Austria's permanent neutrality.

There is a continuing requirement to maintain and modernize military hardware. On March 27, 1963, the Defense Ministry disclosed that the United States had agreed to grant to Austria \$40 million for that purpose. Chancellor Klaus stated in April 1964 that the government considered national defense "a special state-political necessity warranting also financial and economic sacrifices."<sup>22</sup> In an effort to improve the air defenses of the country, Defense Minister Georg Prader stated in July 1964 that Austria wanted to amend the State Treaty so that it could acquire

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<sup>22</sup>News item in the Arbeiter-Zeitung, April 3, 1964.



and Commonwealth. These all recognize common law  
 Australia was not opposed to the fact that it was not only  
 prudent to be an armed nation, but necessary to achieve a  
 high state of military preparedness as rapidly as possible.  
 From a power position taken in 1951, the Australian have been  
 able to organize and equip a modern defense force of some  
 sixty thousand men. Although the military is not a large  
 not combat force, the nation's ability to maintain that  
 this strategy will be maintained for the next thirty-  
 five years upon which it is based. Australia is  
 Australia's permanent neutrality.

There is a continuing movement to maintain the  
 modernized military defense. On March 27, 1951, the British  
 Ministry announced that the United States and Japan had  
 agreed to provide Australia with the first of the new  
 arms to be provided to the government of Australia.  
 This was in April 1951 that the government announced  
 national defense "a special war-related necessity was  
 arising also through the general conditions."<sup>25</sup> in an  
 effort to improve the air defense of the country, defense  
 Minister George Green stated in July 1951 that Australia  
 wanted to know the exact facts as to what it could acquire

<sup>25</sup> See also in the *Parliamentary Debates*, April 1, 1951.

missiles for its armed forces.<sup>23</sup> No official talks have been held on this request to date.

In summary, Austria's permanent neutrality resulted as the fulfillment of an international obligation and condition demanded by the Soviet Union. Austrian neutrality was similar to the Swiss model in that it became an armed neutrality and only of a military nature. No commitments to economic, cultural, or ideological neutrality were made by the Austrian Government.

The best guarantee of permanent neutrality is a strong army and the determination to defend this neutrality against any foreign threat. As a permanent neutral, Austria has accepted the duty to defend her independence and has the right of self-defense under Article 51 of the Charter of the United Nations. The Austrian Government intends to maintain a modern defense force and has shown the determination to remain free.

Following this, a chapter is devoted to the substance of Austria's foreign policy, with emphasis on those external forces which have shaped the contents of the existing national policies. It will be shown that the definition of the national interest has remained fairly stable in the postwar period and, in particular, since 1955.

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<sup>23</sup>News item in the St. Louis Post-Dispatch, July 22, 1964.

1. The first of these is the fact that the Commission has not yet received any information from the Government of the United Kingdom regarding the proposed amendments to the Bill. It is therefore not possible for the Commission to make any recommendations on this point at the present time.

1. The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms of the problem and determining the scope of the problem. Once the problem has been defined, the next step is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the underlying causes. Once the causes have been identified, the next step is to develop a plan of action. This involves identifying the steps that need to be taken to solve the problem and determining the resources that will be needed to implement the plan. Finally, the last step in the process is to implement the plan and monitor the results. This involves putting the plan into action and tracking the progress of the solution. Once the problem has been solved, the final step is to evaluate the results and determine if the solution was effective. This involves comparing the results of the solution to the original problem and determining if the problem has been resolved.

the national interest, we cannot fairly claim to be  
neutral. We must be active in the defense of  
the national interest. We must be active in the  
defense of the national interest. We must be active  
in the defense of the national interest. We must  
be active in the defense of the national interest.



## CHAPTER IV

### THE SUBSTANCE OF FOREIGN POLICY

#### Policy Goals

Austrian foreign policy has had four major objectives in the postwar period: to ensure the necessities of life for the people; to create a unified state; to restore relations with other countries, especially with neighboring states; and finally, as gradual progress was made toward the achievement of these goals, to conclude a State Treaty and secure the withdrawal of all foreign troops from Austrian territory. This latter goal was frustrated for a decade due to the advent of the Cold War. The military occupation was in itself humiliating. It was, however, mitigated by the gradual relaxation of Allied controls which were severe at the outset.

Prior to the effective date of the State Treaty, the control of Austrian foreign policy had been jointly determined by Austrian officials and the Allied Council for Austria. This body was composed of four Allied High Commissioners, one appointed by each of the Occupying Powers. To deal with this foreign authority, Austrians joined together for the first time to achieve common goals. Political differences were either compromised or excluded, and the coalition pattern was begun. The informal Coalition



... American people could not have been so easily deceived  
in the present period. In view of the magnitude of the  
the very people to create a better world; no amount of  
time and other resources, especially with technology  
ethics; and finally, no amount of money and other power and  
achievement of these goals, to create a better world and  
ensure the withdrawal of all foreign troops from Vietnam  
policy. This latter goal was reiterated from 1968 to the  
to the extent of the Cold War. The military revolution was  
in 1968. Finally, it was, however, rejected by the  
general situation of allied countries which were trying to  
the world.

... that in the present state of the world, the  
control of American foreign policy has been totally taken  
over by American interests and the allied world for  
America. This policy was rejected at the 1968 election. To  
ensure, the withdrawal of troops from Vietnam. To  
deal with this foreign situation, American foreign policy  
for the time being is to be a more realistic political dip-

... American people are not so easily deceived as before, and the  
... American people are not so easily deceived as before. The American people

Committee was likewise constituted. Richard Hiscocks, in The Rebirth of Austria, wrote:

Whereas, at first, the Coalition [government] remained for external reasons, it now remains for internal [reasons].<sup>1</sup>

## I. SEARCH FOR SECURITY

### National Interests

With the restoration of sovereignty in 1955, Austria regained a modest voice in international affairs. Since then, the government has been determined to remain free from foreign domination and to participate in all discussions which might lead to greater cooperation in the world, and particularly in Europe. Austrian foreign policy has been generally successful because it has been restrained, consistent, and satisfactory to both major power blocs.

In the formulation of foreign policy in the aftermath of the Allied occupation period, Austrian decision-makers have considered three basic purposes to be in the national interest. First, and of foremost importance was the absolute necessity to maintain permanent neutrality. The ramifications of any change in this policy were well understood by government officials. Soviet leaders have made numerous

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<sup>1</sup>Richard Hiscocks, The Rebirth of Austria (London: Oxford University Press, 1953), p. 131.

Committee for the Defense of the Americas

-on [document] addition, April 14, 1964  
 and April 15, 1964, for further information, at the  
 [document] [document]

With the restoration of democracy in 1975, Argentina  
regained a stable voice in international affairs. Since  
then, the government has been determined to build ties with  
foreign countries and to develop its oil resources.  
While it is true that the country's economy is still weak,  
Argentina's foreign policy has been  
generally successful because it has been consistently  
friendly to the United States.

1. The Commission of the European Communities (CEC) is the body responsible for the implementation of the Common Market. It is composed of representatives of the member states and the European Parliament. The CEC is responsible for the day-to-day management of the Community and for the implementation of the policies decided by the Council of Ministers and the Parliament. It is also responsible for the collection and distribution of the Community's budget. The CEC is based in Brussels, Belgium.



public statements to the effect that action would be undertaken by the Soviet Government if Austrian neutrality was ever violated. Another purpose was to mold public consensus and promote further industrial development, which has been fostered by extensive political collaboration within the coalition pattern of government. Finally, the government deemed it essential to maintain trustful and friendly relations with all neighboring states.

The people of Austria support the resultant firm but cautious foreign policy. Austria is a small state with limited resources. The reconstruction of the country has just been recently completed, along with the final material obligations to the Soviet Union, stemming from the provisions of the State Treaty. Despite these limited means, Foreign Minister Kreisky has said:

Nevertheless, Austria is sparing no effort to do her part in the advancement of the new nations. The principal goods and commodities exported by the developing countries are generally free of customs duties in Austria or subject to low tariffs only. This practice will continue and will expand. If new agreements on tropical goods will stabilize prices and raise at the same time the national income of the contracting countries, then Austria is ready to conclude such agreements.<sup>2</sup>

The Austrian contribution to the economic progress of the developing nations is analyzed in Chapter VIII.

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<sup>2</sup>Austrian Information (May 15, 1964), 3.



[illegible]

The people are security conscious, and the average man in the street knows that the independence of Austria resulted from a sudden Soviet policy shift. Policy-makers can depend upon popular approval of all attempts to maintain a climate of friendly relations with the Soviet Union. Chancellor Klaus, in his initial policy declaration to Parliament on April 2, 1964, made this observation:

Our relations with the big powers are harmonious and marked by the absence of any major open question.<sup>3</sup>

Concerning relations with Eastern European states, Chancellor Klaus in the same declaration noted the improvement of diplomatic relations with Rumania and Bulgaria in the wake of recent claims settlement agreements concluded with those countries. He then emphasized that the government sought similar improved relations with Czechoslovakia and Hungary, stressing, however, that such agreements depended upon an early satisfactory settlement of pending Austrian property claims against those countries. In June 1964, the Hungarian Government responded to this feeler by making substantial counter property claims.<sup>4</sup>

The Austrian Government constantly guards against sizable foreign investments which might compromise the country's neutrality. Most Austrians fear the re-entry of

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<sup>3</sup>News item in Arbeiter-Zeitung, April 3, 1964.

<sup>4</sup>News item in the Wiener Zeitung, June 9, 1964.

The people and society structure, and the average man in the street know that the Government is anxious to avoid from a sudden policy shift. Policy-makers are dependent upon popular approval of all attempts to maintain a climate of friendly relations with the Soviet Union. Chancellor Khrushchev, in his initial policy declaration to the Soviet Union on April 2, 1954, said this observation:

Our relations with the big powers are harmonious and marked by the absence of any major open question.<sup>2</sup>

Continuing relations with Eastern European states, Chancellor Khrushchev in the same declaration noted the improvement of diplomatic relations with Germany and Belgium in the wake of recent state visits. Khrushchev concluded with those countries. He then indicated that the government sought to improve relations with Communist China and Hungary, Estonia, Latvia, and Lithuania. He pointed out an early satisfactory settlement in pending Austrian property claims against Soviet interests. In June 1954, the Hungarian Government responded to this letter by making substantial property claims.<sup>3</sup>

The Austrian Government consistently points against similar foreign interests which might compromise the country's neutrality. East Austria has the railway to

<sup>2</sup>Speech made in Pravda, April 3, 1954.  
<sup>3</sup>News item in the Pravda, June 9, 1954.



foreign economic domination such as that experienced during the seven years of Nazi rule. Attention has been focused on German investments in particular, because of the volume of trade between the two countries and acknowledged German interest in expanding commercial influence in Austria. For these reasons, the government closely regulates German subsidiary companies and prevents German corporations from gaining controlling interests in Austrian enterprises.

Another fundamental objective of Austrian foreign policy traceable to this concern for security was the promotion of friendly relations with all nation-states, without consideration of internal political structures or ideologies. This task was widely supported and has become a policy maxim.

#### Geographical Location

These goals seem extraordinary reasonable in view of the geographical location of the country and the nature of its territory. The country was strategically important for centuries, since it commanded the passes east of Switzerland from Central Europe to Italy and the Adriatic and was able to complement either German or Italian foreign policies. Further, many European paths of trade and migration passed through Austria. The impact of these factors on Austrian history was summarized by Henry Hazlitt, in "One World or Many?"





Politically, her very vulnerability to Europe has always driven her to seek safety in broad European combinations, such as the Holy Roman Empire and the Holy Alliance. By their nature and interests, Austrians are internationalists *san réserve*.<sup>5</sup>

Austria retained strategic importance in the aftermath of the Second World War as it became a buffer state between the Western and Communist blocs. The country has over twelve hundred miles of contingent frontiers with Communist states, including Tito's Yugoslavia. Approximately two-thirds of the population reside close to these borders and actively support a "good neighbor" policy.

Although the Second Austrian Republic is a landlocked state, the nation will shortly make greater use of the Danube River, when the Rhine-Main-Danube Canal is opened. This will link the North Sea with the Black Sea. It involves improving the navigability of the Main and the construction of a canal from Bamberg on the Main to Regensburg on the Danube.<sup>6</sup> The Danube is, in reality, a corridor linking Central with Southeastern Europe, and Europe with the Soviet Union and the Middle East.

Austria is topographically an Alpine country with a great variety of terrain. Largely mountainous, the ranges

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<sup>5</sup>Henry Hazlitt, "One World or Many?," Newsweek (October 7, 1963), 95.

<sup>6</sup>Hiscocks, op. cit., p. 243.

possibility of very serious damage to the  
 system and to the health of the people  
 involved, and to the very health of the  
 system. It is the only way to prevent  
 the system from becoming a disaster.

The system is a disaster in the making.

The system is a disaster in the making.

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cross the country from west to east, merging in the north and northeast into the Danube Valley and Vienna Basin. There are lowland fringes to the north, northeast, and south. In the south, the land is bisected by the Alps, in which many of the big rivers (such as the Inn, Enns, Drau, and the Mur) begin.

Barely half of the area is suitable for agriculture, and one-third of the country is covered with forests. While Austria has been able to produce enough foodstuffs to meet domestic requirements, there has been a consistent postwar policy of agricultural expansion and modernization of farm equipment. Current production is higher in every department than before 1938, when agriculture was neglected by the Nazis who concentrated on industrial development. By 1946, agricultural production amounted to less than half of the 1938 level. In summary, such factors as agricultural production, limited natural resources, and the landlocked geographical location of the state must be collectively considered by the decision-makers in order to develop a successful foreign policy.

## II. EAST-WEST BRIDGE

### Meeting Place

The traditional role of the country was formulated by Dr. Heinrich Gleissner, former Governor of Upper Austria:



those the country from west to east, passing to the north  
and southward into the Great Valley and Atlantic states.  
There are distinct changes in the social, economic, and political  
life of the country, the land is divided by the Alps, in which  
many of the old towns have been the same, some, some, and the  
new, some, some, some, some, some, some, some, some, some, some, some,  
some, some, some, some, some, some, some, some, some, some, some, some,  
and marked as the country is divided into different parts, while  
America has been able to develop many products in many  
different regions, there has been a constant process  
policy of agricultural expansion and concentration of land  
resources. Government has been in place in every important  
area before 1870, and agriculture was restricted by the  
land and concentrated in agricultural development. By 1900,  
agricultural production was concentrated in the west and the  
1870 land. In summary, the country was agricultural pro-  
duction, land, land, land, land, land, land, land, land, land, land, land,  
agricultural production of the country was concentrated,  
concentrated in the agricultural area in order to develop a new  
social and political policy.

13. Agricultural Policy

### Agricultural Policy

The traditional role of the country was dominated by  
the political situation, foreign government of Upper Austria

It is the will of her people that Austria should issue not challenges, but invitations, should be a meeting place not a dividing line, nobody's bastion but everybody's bridge.<sup>7</sup>

This role has become increasingly important at the "grass roots" level. The proximity of Austria to Communist states has made Vienna a well-placed and convenient meeting place for Western and Eastern Europeans. Upwards of eight thousand Austrians crossed weekly into Czechoslovakia to visit friends and relatives in 1964. Some three thousand Czechs were permitted to enter Austria weekly as tourists in the same year, as a sign of friendly relations between the two countries.

An agreement was reached in the summer of 1963 which expanded limited border crossings between Austria and Yugoslavia. This was made possible by enlarging the border zones whose inhabitants were entitled to get permits and by extending the validity of permits to seventy-two hours.<sup>8</sup>

Die Presse recently ran a detailed article on the eastern border situation, predicting a continuation of the "tourist liberalization wave."<sup>9</sup> The significance of these exchanges was that Communist tourists could travel to Austria, while

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<sup>7</sup>Hiscocks, op. cit., p. 238.

<sup>8</sup>News item in the Neue Tageszeitung, August 8, 1963.

<sup>9</sup>News item in Die Presse, June 9, 1964.

It is the right of her people that Australia should  
 have not challenged, but invited, should be  
 a meeting place for a living time, comedy's  
 position and everybody's right.

This role has become increasingly important as the "Asian  
 room" level. The necessity of access to Communist states  
 has made them a well-known and convenient meeting place  
 for Western and Eastern movements. Quarters of about three  
 and Australia cannot really have Communists in their  
 Elms and Sydney in 1960. Some three thousand Chinese  
 were permitted to enter Australia mainly as tourists in the  
 same year, as a sign of friendly relations between the two  
 countries.

An agreement was reached in the summer of 1961 which  
 expanded limited border crossings between Australia and New  
 Guinea. This was made possible by relaxing the border  
 rules. Some of the inhabitants were entitled to go, tourists and by  
 extending the validity of permits to emergency cases.  
 The United Nations has a detailed article on the system  
 border situation, providing a contribution to the progress  
 of international law.<sup>2</sup> The significance of these measures  
 was that Communist countries could travel to Australia, which

<sup>2</sup> United Nations, 1961, p. 120.

<sup>3</sup> There is no such agreement, August 2, 1961.

<sup>4</sup> There is no such agreement, May 1, 1961.



exit visas were difficult to obtain for travel to other Western European states.

The majority of the people believed that their future importance as a nation was based on their cultural contributions, both past and present. Richard Hiscocks points out that:

Diplomatic entanglements and power politics are inappropriate for a country of seven million inhabitants in a highly vulnerable position. The political aim of Austrian statesmen is to justify Austria's independent existence by maintaining a healthy economy and social order and by setting an example of good world citizenship.<sup>10</sup>

Finally, there was a widespread conviction in the country that Austria will once again play the role of mediator in international disputes. This view was expressed by most leading statesmen.<sup>11</sup>

### III. FOREIGN ECONOMIC POLICY

Since 1937, Austria has developed first under German and later Allied supervision a number of basic industries. These have included iron and steel, oil, and chemicals, which have all been nationalized since the country's liberation in 1945 under pressure from the Socialist Party. Vice Chancellor Pittermann stated that:

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<sup>10</sup>Hiscocks, op. cit., p. 242.

<sup>11</sup>Ibid., p. 233.

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On October 10, 1964, the following information was received from the Bureau of the Census, Washington, D.C.:

Class 101, Section 101, 1981

and later Allied operations a record of death destruction.

The nationalized industry today contributes 26 per cent of Austria's total exports, largely owing to long marketing efforts in eastern and southeastern Europe.<sup>12</sup>

### Special Position

Austrian commerce must transit through the territory of other states, since Austria has no direct access to the sea. The effects of external trade policies and transport rates of neighboring Western states and the menace of Communist frontiers to the East, combine to heavily influence the nation's internal prosperity, political stability, and even national survival. The economic situation becomes more gloomy when it is recalled that Allied postwar controls had a retarding effect upon her economy and reconstruction. An added burden was the material reparations demanded by the Soviet Government. These factors have been recognized by the European Free Trade Association as constituting a special Austrian position.

### European Economic Community

The six members of the European Economic Community collectively represent Austria's largest market area. In 1962, Austria bought nearly \$1 billion worth of commodities from the Common Market and sent 50 per cent of her exports,

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<sup>12</sup>News item in the Arbeiter-Leitung, June 9, 1964.





valued at approximately \$631,000,000, into the Community. The remainder of Austrian trade fell into three categories of nearly equal magnitude: with the European Free Trade Association, the Communist states, and the rest of the world. In spite of the pattern established by the delivery of reparations to the Soviet Union, the latter country did not loom large in Austria's trade picture, taking only 4 per cent of her exports and providing 3 per cent of her imports in 1962.<sup>13</sup>

The accelerated reduction of internal trade barriers within the European Economic Community constituted a serious threat to the position of Austrian exports into that region. Exports of goods and services in 1962 amounted to 24.6 per cent of Austria's Gross National Product.<sup>14</sup> This meant that discrimination of any sort directly threatened current prosperity and further economic development. There was no evidence at this time of any down-turn in volume of Austrian exports to the European Economic Community.

Coming to terms with the European Economic Community and having all tariffs reduced were the foremost foreign policy issues in 1964. The Austrian Government has

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<sup>13</sup>Austrian Economy in Figures, Year 1962 (Vienna: Economic Department of Creditanstalt-Bankverein, 1963), pp. 18-19.

<sup>14</sup>Ibid., p. 2.





frequently announced the principles that it considered acceptable and the conditions which must be met before joining the European Economic Community. Federal Trade Minister Bock, charged with all EEC negotiations, has stated that Austria is:

1. Willing to accept the foreign trade tariff of the European Economic Community. 2. Will eliminate all customs duties between her and the EEC. The phasing of tariff reductions in this respect will have to be negotiated. 3. Will abolish quantitative restrictions on trade. 4. For the reduction of tariff and quantitative restrictions, a minimum number of exceptions will be approved. 5. Will accept the principles of the farm policy, but wants to align her own policy to that of the European Economic Community.<sup>15</sup>

The formal decision to proceed toward broader economic integration in Western Europe was reached by the Austrian Cabinet on December 12, 1961. In a communiqué, the government concluded that:

Austria would act simultaneously with Switzerland and Sweden, the other neutrals associated with EFTA. It further declared that full adherence to the Treaty of Rome would impair their status of neutrality, and this necessitated the application for associate membership.<sup>16</sup>

The three neutrals agreed on joint as well as parallel discussions with the European Economic Community, with emphasis on the economic clauses of the Treaty of Rome. At this time, Austrian President Schaerf said:

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<sup>15</sup>EFTA Reporter (November 12, 1963), 1.

<sup>16</sup>Austrian Information (December 30, 1961), 1.



The Austrian neutrality policy, based on the nation's constitutional law, contains no provision which would permit other countries to influence the internal, external, or economic policies of the country. The neutrals must insist on a clear delineation between political policies on the one hand, and trade policies on the other hand, so as not to endanger their status.<sup>17</sup>

The Austrian Government has made it evident that it is willing to cooperate in the economic integration of Europe, to the extent her political status will permit. The political implications inherent in the Treaty of Rome are of concern to the Government. Austria might find herself in political controversies if the European Economic Community should ever decide to pursue policies toward third states which might endanger international peace. Any arrangement with the European Economic Community must include an escape clause to prevent such an entanglement. This is a condition sine qua non.

Another important prerequisite is the authority to maintain separate and predominantly bilateral trading relations with the Communist states.<sup>18</sup> Most exports to these latter countries are manufactured in the former Soviet Zone and are intended specifically for these markets. On the other hand, the majority of these finished products are

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<sup>17</sup>Ibid.

<sup>18</sup>"Sweden, Switzerland, and Austria, Still in the Waiting Room," Common Market (October 1962), 181.



[illegible]

...the ... of ...

neither competitive nor marketable in Western Europe. There are also political considerations involved, since closing or converting these enterprises will likely result in labor displacement and unemployment, thereby adding to the strain upon the state. This is not an uncomplicated matter involving only Austria, but rather is of direct consequence to all members of the European Economic Community who have complied with all of the provisions of the Treaty of Rome.

The Government requested negotiations with the European Economic Community with the object of becoming an Associate Member under Article 238 of the Treaty of Rome on December 15, 1961. This petition was submitted with similar documents from the governments of Sweden and Switzerland. When the Soviet Government was informed of the Austrian intention of establishing closer ties with the European Economic Community, a note was sent to the Austrian authorities which expressed grave concern over "association with any political or economic organization of which the Federal Republic of Germany was a leading member."<sup>19</sup>

Austrian response to this allegation was firm:

Austria is interested in having the best possible economic relations with all countries regardless of political structure. The Government felt impelled to take this action after the United

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<sup>19</sup> News item in the New York Times, December 15, 1961.

national committee was established in Western Europe. Thus  
 the line political commitment involved, since during the  
 following three centuries will likely result in later  
 development and development, thereby adding to the social  
 upon the scene. This is not an unaccompanied matter in  
 voting only assets, but rather is of direct consequence in  
 all members of the European Economic Community who have con-  
 sidered with all of the provisions of the Treaty of Rome.  
 The Government reported negotiations with the  
 European Economic Community with the object of becoming an  
 Associate Member under Article 238 of the Treaty of Rome on  
 December 15, 1961. This position was submitted with certain  
 documents from the Government of Ireland and the United Kingdom.  
 When the Treaty Government was informed of the results of  
 the negotiations of December 15, 1961, the Government  
 Economic Community, a note was sent to the United Kingdom  
 with which agreement was given with "association with  
 any political or economic organization of which the United  
 Kingdom of Germany was a leading member."  
 Further reference to this situation was made  
 in the report in having the best possible  
 economic relations with all countries participating  
 of political relations. The Government said in  
 policy to take this action when the United



Kingdom had applied for full membership. Moreover, the Government had been instructed to take the initiative for association by unanimous vote of the Parliament on June 21, 1961.<sup>20</sup>

In conjunction with this reply, the Austrian Government reassured the Soviet Government that this step was not a violation of Austria's neutrality. Although Soviet opposition diminished, Premier Khrushchev, at a Kremlin reception on July 4, 1962, reiterated Moscow's opposition to the European Economic Community, as the "economic force of the aggressive North Atlantic bloc."<sup>21</sup> At the same time, Khrushchev expressed his confidence that the envisaged Austrian arrangement with the Common Market countries would be in keeping with Austria's neutrality.

On May 15, 1962, the EEC Council of Ministers invited the Austrian Government to present further information. Next, the formal Austrian application was submitted to the Council on June 20th. Foreign Minister Kreisky presented the amplifying information to the Council on July 28, with the following conclusion:

There exists . . . no differences between the Community of the Six and Austria, as to the basic goal of an integrated and harmonized economic policy in Europe . . . . There is an honest will on both sides to come to constructive solutions and since the necessary flexibility will certainly not be lacking,

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<sup>20</sup>Austrian Information (December 30, 1961), 1.

<sup>21</sup>News item in The New York Times, July 5, 1962.

Ministry has advised the full membership. Moreover, the Government has been instructed to take the initiative for establishing by unanimous vote of the Parliament on June 21, 1951.

In connection with this reply, the Russian Government

recommends the Soviet Government that this step was not a

violation of Austria's neutrality. Although Soviet opposi-

tion continued, Russian Government, at a similar occasion

on July 4, 1951, reiterated Russia's opposition to the

European Economic Community, as the economic force of the

European Community. At the same time,

Russian Government expressed its conviction that the proposed

Austrian arrangement with the German Federal Council would

be in keeping with Austria's neutrality.

On May 18, 1951, the Soviet Council of Ministers advised

the Russian Government to present Russian intervention

that, the Soviet Union's position was submitted to the

Council on June 1951. Russian Minister Khrushchev and

applying information to the Council on July 18, with the

following conclusions:

These results . . . no difference between the two  
sides of the two sides, as the two sides are  
of an integrated and harmonized nature. In  
fact, the two sides will be two sides  
to come to constructive relations and since the  
necessary conditions will naturally not be lacking,

<sup>10</sup> Russian Information (Moscow, 20, 1951), 1.

<sup>11</sup> See also in the New York Times, July 6, 1951.

it will be possible to devise ways and means to bring about a positive cooperation of the neutrals in the economic integration of Europe without endangering their political status. Austria is convinced that only by a just economic settlement with the EEC, serious political, social, and economic consequences can be avoided.<sup>22</sup>

After hearing this oral presentation, the Council of Ministers instructed the EEC Commission to prepare a report analyzing the possibilities of Austrian participation in the Common Market.<sup>23</sup> Fruitful exploratory talks were conducted in December 1963. In its session of January 13, 1964, the Austrian Cabinet was briefed on these discussions by the Ministers of Trade and Foreign Affairs. These reports outlined the general nature of the proposed Association Council, Committee, and Mixed Commission. The EEC Commission has taken cognizance of these proposals without commenting on them.<sup>24</sup>

#### European Free Trade Association

In contrast with her close ties with members of the European Economic Community, trade relations with the European Free Trade Association countries are newer and

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<sup>22</sup>For entire text, see Austria and the Common Market (Washington: EFTA Information Office, July 30, 1962).

<sup>23</sup>"Sweden, Switzerland, and Austria, Still in the Waiting Room," op. cit., 182.

<sup>24</sup>Austrian Information (January 31, 1964), 2.



It will be possible to make more and more to bring about a greater cooperation of the members in the economic development of Europe without endangering their political status. There is no doubt that only by a joint economic policy with the EC, and a common policy, social, and economic development can be achieved.<sup>11</sup>

After having this oral presentation, the Council of Ministers instructed the EC Commission to prepare a report analyzing the possibilities of further participation in the Common Market.<sup>12</sup> The report on the progress of the work in December 1961. In the session of January 12, 1962, the Council of Ministers was held on these discussions by the Ministers of Trade and Customs Affairs. These reports were then the subject of the proposed Economic Council, Commission, and Social Committee. The EC Commission was then authorized to take necessary steps towards the

Chairman

#### Summary of the Report

In December 1961 the report was submitted to the Economic Council, which decided to take the necessary steps towards the Commission to take the necessary steps towards the

<sup>11</sup> For further details, see the report of the Commission (Luxembourg: 1961, International Labour Office, 1961).

<sup>12</sup> The report, however, was not made public until 1962.

<sup>13</sup> Further information (January 12, 1962), p. 1.

limited. First, Austrian trade is not directed toward the sterling bloc. Unlike Scandinavian members of the European Free Trade Association, Austria has no particular economic or historic links with the United Kingdom. Unlike the Swiss, the Austrians, except for the issue of neutrality, would have jumped at the opportunity from the beginning to join the European Economic Community. Second, while the trade pattern with the European Free Trade members has developed favorably, the volume was considerably smaller. For example, in 1962, Austria exported \$191,300,000 or 15.3 per cent and imported 13.2 per cent amounting to \$202,600,000 from the European Free Trade Association states.<sup>25</sup> In the first six months of 1963, imports were 18.3 per cent higher from these countries than during the corresponding period in 1962, while overall imports were up 10 per cent. During this same period, Austrian exports to this group of states were 16 per cent of the total.<sup>26</sup>

The members of the European Free Trade Association have officially endorsed the Austrian view regarding harmony between themselves and the members of the European Economic Community. This position was that EFTA should be employed

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<sup>25</sup>Austrian Information (March 30, 1963), 1.

<sup>26</sup>EFTA Reporter (October 15, 1963), 3.





as an instrument of negotiation to harmonize mutual trade interests, and not regarded as an end in itself. Therefore, as far as Austria was concerned, membership in the European Free Trade Association was no substitute for economic partnership with the European Economic Community.

The Austrian application for associate status in the European Economic Community is consistent with EFTA policies. Members may conduct separate negotiations on trade policy with either the EEC or any of its six members. Currently, the EFTA members have approved of Austria's decision to proceed with exploratory talks, while the rest have postponed further discussions. This was agreed upon at the 1963 Ministerial Meeting held in Lisbon. The logic behind this decision was recognition of Austria's special position.

#### Summary

Pending the outcome of future negotiations with the European Economic Community, Austria's foreign policies have been successful in the postwar period. The Austrian Government feels compelled to reach an understanding with the European Economic Community because the country's trade is more oriented toward the Common Market area than any other member of the European Free Trade Association. In the search for national security, the Austrian nation has achieved prosperity, freedom, and unity. Important

as an instrument of negotiation in international relations. Indeed, and has played an important role in the history of the world and, especially, in the history of the United States. The United States has been a member of the League of Nations since its inception in 1919, and has played a leading role in the League's activities. The United States has also been a member of the United Nations since its inception in 1945, and has played a leading role in the United Nations' activities.

The United States' position in the world is a result of its geographical location, its economic power, and its political influence. The United States is a large country with a long coastline, and it is surrounded by water on three sides. This has made it a powerful naval power, and it has been able to project its power around the world. The United States is also a major economic power, and it has been able to influence the world's economy. Finally, the United States is a major political power, and it has been able to influence the world's politics. The United States' position in the world is a result of these factors, and it is likely to remain a major power for many years to come.

## Summary

The United States is a major power in the world, and it has played a leading role in the League of Nations and the United Nations. The United States' position in the world is a result of its geographical location, its economic power, and its political influence. The United States is a large country with a long coastline, and it is surrounded by water on three sides. This has made it a powerful naval power, and it has been able to project its power around the world. The United States is also a major economic power, and it has been able to influence the world's economy. Finally, the United States is a major political power, and it has been able to influence the world's politics. The United States' position in the world is a result of these factors, and it is likely to remain a major power for many years to come.

non-governmental forces and agencies which affect the foreign policy process are analyzed in the next chapter.



non-governmental, financial and technical assistance for the project.

During the period of the project, the following activities were carried out:

1. A study was conducted to determine the needs of the project area.

2. A plan was developed for the project, including a budget and a timeline.

3. The project was implemented, with the following results:

4. The project was completed on time and within budget.

5. The project was successful in meeting the needs of the project area.

6. The project was well received by the community.

7. The project was a model for other projects in the area.

8. The project was a success for the community.

9. The project was a model for other projects in the area.

10. The project was a success for the community.

11. The project was a model for other projects in the area.

12. The project was a success for the community.

13. The project was a model for other projects in the area.

14. The project was a success for the community.

15. The project was a model for other projects in the area.

16. The project was a success for the community.

17. The project was a model for other projects in the area.

18. The project was a success for the community.

19. The project was a model for other projects in the area.

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21. The project was a model for other projects in the area.

22. The project was a success for the community.

## CHAPTER V

### THE POLITICAL PROCESS--GOVERNMENT AND THE PEOPLE

#### I. IDEOLOGY

In undertaking to determine what factors comprise the Austrian ideology, it was enlightening first to examine the historical experience.

##### Background

The serious structural and economic deficiencies of the First Austrian Republic were alluded to in Chapter II. In 1918, only a small core of people and territory remained to form the new Austrian state. From its inception as a sovereign state, the nation was divided about its role in the international state system. Some desired a federation with other Danubian countries to replace the lost empire. Many sought union with Germany. Another segment of the population believed in freedom and welcomed the opportunity for self-government.

The resultant dissension was reflected in the original name of the First Republic, which was German-Austria. A provisional National Assembly met in Vienna during November 1918 and approved a constitutional law stating that German-

## THE POLITICAL SITUATION

## AND THE PEOPLE

## I. INTRODUCTION

In undertaking to describe the political situation of the Republic, it was necessary first to examine the historical background.

Background

The nation's political and economic development of the first American Republic was shaped as in Chapter II. In 1776, only a small group of people and territory remained to form the new American state. From the beginning as a sovereign state, the nation was divided about the role in the international trade system. Some desired a federation with other American states to protect the free market. Many sought union with Germany. Another segment of the population believed in isolation and opposed the opportunity for self-government.

The political situation was changed in the early part of the first Republic, when the German-American population became a majority and in 1800 moved to the Federal Government. This and other events of the early years of the Republic are described in Chapter III.



Austria was "an essential part of the German Republic."<sup>1</sup>

This decision was confirmed by a Constituent National Assembly, but later was rescinded; September 10, 1919, in accordance with the terms of the Peace Treaty at Saint Germain, the word "German" was dropped from the designation of the Republic.

One fundamental prerequisite for democracy is a sense of common purpose and a sharing of mutual values. Unfortunately, neither the citizens nor political parties during the short life of the First Republic achieved a meaningful compromise or rallied to a single cause. About 40 per cent, mostly peasants and lower middle-class residents of Vienna, were Conservative Catholics; another 40 per cent, mostly workers in Vienna and other industrial centers were Social Democrats; the remaining percentage, mostly the urban upper middle class, were Pan Germans.<sup>2</sup>

The dominant political parties advocated extremely diverse platforms. There were Fascist elements on the extreme Right and Communists on the Left. After the civil war in 1934, authoritarian rule was enforced until the German

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<sup>1</sup>Richard Hiscocks, The Rebirth of Austria (London: Oxford University Press, 1953), p. 2.

<sup>2</sup>Hans Kohn, The Future of Austria, (New York: Foreign Policy Association, 1955), p. 9.

Austria was "an essential part of the German Republic."<sup>1</sup>  
 This decision was confirmed by a Constitutional National Assembly,  
 which, after being presided over by the Emperor, on September 10, 1919, in accordance  
 with the terms of the Peace Treaty of Saint Germain.  
 The word "German" was dropped from the designation of the  
 Republic.

The fundamental principle of the Republic is a system  
 of common purpose and a sharing of mutual values. Under  
 this system, within the various non-political parties during  
 the brief life of the first Republic achieved a meaningful  
 compromise or failed to a single cause. Above all, the  
 newly formed and lower middle-class political parties,  
 were conservative Catholics, another to the center, mostly  
 workers in Vienna and other industrial centers were Social  
 Democrats; the remaining groups, mostly the upper upper  
 middle class, were the Christians.<sup>2</sup>

The dominant political parties were conservative, religiously  
 diverse groups. There were Social Democrats on the left  
 and right and Christians on the left. After the Civil War  
 in 1918, authoritarian rule was restored until the summer

<sup>1</sup>Edward Shils, The Meaning of Austria, London:  
 Oxford University Press, 1951, p. 11.

<sup>2</sup>John R. Sweeney, The Future of Austria, (New York: New  
 York Public Affairs, 1951), p. 11.

seizure four years later. The Social Democratic Party was outlawed during this period of confusion, which contributed to the lack of national unity. Austria was renamed the Ostmark in 1938, and its interests were systematically subordinated to those of the Reich.<sup>3</sup> The initial Austrian encounter with parliamentary democracy was a bitter failure, but the people learned important lessons that provided the Second Austrian Republic with the cooperation and harmony of interests needed to insure its survival.

#### National Purpose

Austrian politicians finally realized the merit of a united nation under the stress of Nazi occupation. This shift in attitudes was materially strengthened by common suffering under the reign of the German Gestapo. The concept of fraternity became an essential element in the growth of a national identity and ideology. As a result, domestic politics have been characterized by extensive cooperation between the two dominant political parties, and foreign policy has been essentially bipartisan. In a New Year's message soon after becoming President, Dr. Renner said:

From experience with Italians and Germans the Austrian people in 1945 finally drew the only possible conclusion: self-reliance and

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<sup>3</sup>Hiscocks, op. cit., p. 8.





independence; no Anschluss at all, neither with the East nor the South, neither with the West nor the North; one thing only is desirable, entrance into the community of the United Nations.<sup>4</sup>

The historical background of the Second Austrian Republic and substance of Austria's foreign policy have been presented in earlier discussions to support the conclusion that Austria belongs with the Western world, while keeping open economic ties with the Communist states. Next, it is appropriate to examine the structure of Austrian society and look more closely at the people who have built a modern state from the ruins of the Second World War.

## II. NATIONAL COMMUNITY

### Structure

Twice in recent history, the composition of the national community has radically changed. The former great aristocratic families of the Hapsburg era lost most of their fortunes and influence by the outbreak of the Second World War. The Jewish Community was practically eliminated during the period of German occupation.<sup>5</sup> After the war, several million refugees passed through Austria, residing within its

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<sup>4</sup>Ibid., p. 246.

<sup>5</sup>For further comments, see John Gunther, Inside Europe Today (New York: Harpers and Row, 1962), pp. 179-181.

Independence, no American at all, weighed with the East and the South, making with the West and the North, one group only in the Atlantic, whereas into the community of the United Nations.

Reynolds and members of Austria's foreign policy have been  
presented in similar discussions in support of the position  
that Austria belongs with the western world, while seeing  
open economic ties with the Communist states. But, it is  
appreciated to combine the interests of Austrian society and  
also more closely at the people who have built a modern  
state from the ruins of the second world war.

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...The fact is that the Communist Party of the United States has been a very active and effective force in the United States since the war, and it is a very real and serious threat to the security of the United States. The Communist Party has been a very active and effective force in the United States since the war, and it is a very real and serious threat to the security of the United States. The Communist Party has been a very active and effective force in the United States since the war, and it is a very real and serious threat to the security of the United States.



frontiers from varying periods of a few days to years. Considering this great flux in the structure of the national community, it was remarkable that a high degree of uniformity existed in the present society.

The population is nearly homogeneous along racial, linguistic, and religious lines. Over 98 per cent of the nation are German speaking, while the remainder consists of small Croat and Czech-speaking minorities in Burgenland, and Slovene-speaking minorities in Carinthia. Approximately 89 per cent profess to be Roman Catholics, 6 per cent Protestants, with the remainder split among other faiths. To foster national unity, the Austrian Government has enforced, since 1945, the rigid separation of Church and State. Minority rights are protected by the Constitution, and equal treatment is given to all sectors of the community.

The last national census conducted in March 1961 showed a population slightly in excess of seven million, which represented only a 1.9 per cent population gain over the previous decade. Young people are scarce, there is a low birthrate, and one-third of the population are over fifty years old.<sup>6</sup> Largely as a result of the Second World War, one out of every eight women are widows.

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<sup>6</sup>William H. Hale, "Political Reunion in the Vienna Woods," Reporter (May 5, 1955) 12:22.

Excessive food varying periods of a few days to weeks. Con-  
siderable time must also be spent in the maintenance of the national  
community, it was considered that a high degree of popu-  
lar participation was needed in the national society.

The population is mostly homogeneous along racial  
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the previous census. Young people are scarce, there is a  
low birth rate, and two-thirds of the population are over  
fifty years old. Largely as a result of the Second World  
War, and loss of every fifth man and woman.

<sup>2</sup>William W. Hall, Political Situation in the Federal  
Republic of Germany (May 1, 1952) 11-12.

Austria is a land of skilled artisans. Many are employed in industries nationalized in the postwar period.<sup>7</sup> In an article in the Austrian Information, it was pointed out that:

Austria's per capita Gross National Product occupied, together with Italy's, the lowest position among Western European industrialized countries. Statistical data reveal the following picture for 1961: France - \$1,272; United Kingdom - \$1,241; Austria - \$849; and Italy - \$650.<sup>8</sup>

The situation has not altered appreciably in recent years.

#### Education

Austria has one of the lowest rates of illiteracy in the world, less than 1 per cent. The country owes this to the fact that it has one of the oldest compulsory school systems in Europe. The General Education Act of 1774 decreed that all children had to attend school for at least six years. In 1869, compulsory schooling was extended to eight years. Charles A. Gulick, in Austria, From Hapsburg to Hitler, pointed out that by 1908 Austria had developed a typical European school system:

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<sup>7</sup>The economic structure has evolved in postwar years into a mixture of a modified form of state capitalism and private enterprise. The state owns or controls the heavy industries and credit system. The light industries and the retail trades are run as private enterprises that depend for credit on a state-controlled banking system. For further details, see "Euromarket," The New York Times (March 18, 1962).

<sup>8</sup>Austrian Information (August 20, 1962), 2.



... is a form of skilled activity. Many are employed in industries nationalized in the postwar period. In an article in the American Anthropologist, it was pointed out that:

Australia's post-war rapid growth has been accompanied by a rapid increase in the number of people employed in the service sector. The number of people employed in the service sector has increased from 1.5 million in 1945 to 2.5 million in 1965. The number of people employed in the service sector has increased from 1.5 million in 1945 to 2.5 million in 1965. The number of people employed in the service sector has increased from 1.5 million in 1945 to 2.5 million in 1965.

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#### Education

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The economic structure has evolved in postwar years into a system of a modified form of state capitalism and private enterprise. The state owns or controls the heavy industries and public utilities. The light industries and the retail trade are run as private enterprises that depend for credit on a state-controlled banking system. For further details, see Australia, from 1901 to 1965 (London, 1965).

This system provided only eight years of free compulsory common schools for poorer, chiefly working-class, children; but for the progeny of the better classes it provided seven or eight years of secondary or middle schools, in addition to four or five years of primary training.<sup>9</sup>

The entire school system underwent reform during the period of the First Austrian Republic.<sup>10</sup> The following statement was made in The Europa Year Book 1964:

Today education is compulsory for all between the ages of six and fourteen with extensive facilities for further education. There are universities in Vienna, Graz, and Innsbruck and important technological institutions in Vienna and Graz.<sup>11</sup>

### Trends

An important trend in the national community has been the population shift from rural to urban areas. This has occurred without a significant expansion of agricultural output or increased employment opportunities in the urban centers. This affects the foreign policy process in that the Government must take into consideration the impact of certain trade practices and policies on the so-called "depressed areas," particularly in the former Soviet Zone. This is one of the key factors for continuation of trade

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<sup>9</sup>Charles A. Gulick, Austria from Hapsburg to Hitler (Berkeley: University of California Press, 1948), p. 552.

<sup>10</sup>For a comprehensive review of the reforms, see ibid., pp. 554-582.

<sup>11</sup>"Austria," The Europa Year Book (1964), I, 352.

Only systems providing only eight years of basic education are eligible for assistance, chiefly secondary schools, colleges, and the few primary schools of the country. It is provided that in all cases of assistance to schools, the assistance be for a period of five years or more.

of the time taken to complete the following statement.

1. 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051 2052 2053 2054 2055 2056 2057 2058 2059 2060 2061 2062 2063 2064 2065 2066 2067 2068 2069 2070 2071 2072 2073 2074 2075 2076 2077 2078 2079 2080 2081 2082 2083 2084 2085 2086 2087 2088 2089 2090 2091 2092 2093 2094 2095 2096 2097 2098 2099 2100 2101 2102 2103 2104 2105 2106 2107 2108 2109 2110 2111 2112 2113 2114 2115 2116 2117 2118 2119 2120 2121 2122 2123 2124 2125 2126 2127 2128 2129 2130 2131 2132 2133 2134 2135 2136 2137 2138 2139 2140 2141 2142 2143 2144 2145 2146 2147 2148 2149 2150 2151 2152 2153 2154 2155 2156 2157 2158 2159 2160 2161 2162 2163 2164 2165 2166 2167 2168 2169 2170 2171 2172 2173 2174 2175 2176 2177 2178 2179 2180 2181 2182 2183 2184 2185 2186 2187 2188 2189 2190 2191 2192 2193 2194 2195 2196 2197 2198 2199 2200 2201 2202 2203 2204 2205 2206 2207 2208 2209 2210 2211 2212 2213 2214 2215 2216 2217 2218 2219 2220 2221 2222 2223 2224 2225 2226 2227 2228 2229 2230 2231 2232 2233 2234 2235 2236 2237 2238 2239 2240 2241 2242 2243 2244 2245 2246 2247 2248 2249 2250 2251 2252 2253 2254 2255 2256 2257 2258 2259 2260 2261 2262 2263 2264 2265 2266 2267 2268 2269 2270 2271 2272 2273 2274 2275 2276 2277 2278 2279 2280 2281 2282 2283 2284 2285 2286 2287 2288 2289 2290 2291 2292 2293 2294 2295 2296 2297 2298 2299 2300 2301 2302 2303 2304 2305 2306 2307 2308 2309 2310 2311 2312 2313 2314 2315 2316 2317 2318 2319 2320 2321 2322 2323 2324 2325 2326 2327 2328 2329 2330 2331 2332 2333 2334 2335 2336 2337 2338 2339 2340 2341 2342 2343 2344 2345 2346 2347 2348 2349 2350 2351 2352 2353 2354 2355 2356 2357 2358 2359 2360 2361 2362 2363 2364 2365 2366 2367 2368 2369 2370 2371 2372 2373 2374 2375 2376 2377 2378 2379 2380 2381 2382 2383 2384 2385 2386 2387 2388 2389 2390 2391 2392 2393 2394 2395 2396 2397 2398 2399 2400 2401 2402 2403 2404 2405 2406 2407 2408 2409 2410 2411 2412 2413 2414 2415 2416 2417 2418 2419 2420 2421 2422 2423 2424 2425 2426 2427 2428 2429 2430 2431 2432 2433 2434 2435 2436 2437 2438 2439 2440 2441 2442 2443 2444 2445 2446 2447 2448 2449 2450 2451 2452 2453 2454 2455 2456 2457 2458 2459 2460 2461 2462 2463 2464 2465 2466 2467 2468 2469 2470 2471 2472 2473 2474 2475 2476 2477 2478 2479 2480 2481 2482 2483 2484 2485 2486 2487 2488 2489 2490 2491 2492 2493 2494 2495 2496 2497 2498 2499 2500 2501 2502 2503 2504 2505 2506 2507 2508 2509 2510 2511 2512 2513 2514 2515 2516 2517 2518 2519 2520 2521 2522 2523 2524 2525 2526 2527 2528 2529 2530 2531 2532 2533 2534 2535 2536 2537 2538 2539 2540 2541 2542 2543 2544 2545 2546 2547 2548 2549 2550 2551 2552 2553 2554 2555 2556 2557 2558 2559 2560 2561 2562 2563 2564 2565 2566 2567 2568 2569 2570 2571 2572 2573 2574 2575 2576 2577 2578 2579 2580 2581 2582 2583 2584 2585 2586 2587 2588 2589 2590 2591 2592 2593 2594 2595 2596 2597 2598 2599 2600 2601 2602 2603 2604 2605 2606 2607 2608 2609 2610 2611 2612 2613 2614 2615 2616 2617 2618 2619 2620 2621 2622 2623 2624 2625 2626 2627 2628 2629 2630 2631 2632 2633 2634 2635 2636 2637 2638 2639 2640 2641 2642 2643 2644 2645 2646 2647 2648 2649 2650 2651 2652 2653 2654 2655 2656 2657 2658 2659 2660 2661 2662 2663 2664 2665 2666 2667 2668 2669 2670 2671 2672 2673 2674 2675 2676 2677 2678 2679 2680 2681 2682 2683 2684 2685 2686 2687 2688 2689 2690 2691 2692 2693 2694 2695 2696 2697 2698 2699 2700 2701 2702 2703 2704 2705 2706 2707 2708 2709 2710 2711 2712 2713 2714 2715 2716 2717 2718 2719 2720 2721 2722 2723 2724 2725 2726 2727 2728 2729 2730 2731 2732 2733 2734 2735 2736 2737 2738 2739 2740 2741 2742 2743 2744 2745 2746 2747 2748 2749 2750 2751 2752 2753 2754 2755 2756 2757 2758 2759 2760 2761 2762 2763 2764 2765 2766 2767 2768 2769 2770 2771 2772 2773 2774 2775 2776 2777 2778 2779 2780 2781 2782 2783 2784 2785 2786 2787 2788 2789 2790 2791 2792 2793 2794 2795 2796 2797 2798 2799 2800 2801 2802 2803 2804 2805 2806 2807 2808 2809 2810 2811 2812 2813 2814 2815 2816 2817 2818 2

Local institutions in Vienna and Graz, Vienna, Graz, and Innsbruck and University of Vienna, Graz, and Innsbruck are also involved in the project. The project is co-financed by the Austrian Federal Government and the Austrian States.

As reported freely in the national community has been the position with some time to make more. This has occurred without a significant reduction in the amount of output or increased employment opportunities in the same country. This affects the foreign policy process in that the Government must take into consideration the impact of certain trade policies on the so-called "growth areas." Specifically in the United States, this is one of the key factors in the consideration of trade



relations with the Communist states, since these latter states chiefly absorb the goods manufactured in Lower Austria. There are also associated social problems which complicates the free movement of labor within the country. Several additional considerations include the high cost of retraining labor and the necessity to maintain a productive and diversified agriculture.

There has been a less obvious change in the higher echelons of the society. Over the years, there has been a progressive deterioration in the economic position of some élite groups. This has generally affected the academic profession and the fields of the arts, science, and culture.<sup>12</sup> Because of unreasonably low compensation and lack of adequate facilities, top individuals in these professions have emigrated on their own initiative, leaving a void which marks a decline in the liberal tradition. This steady flow of migration has been maintained from Austria in recent years.

This decline is clearly registered at the University of Vienna. This institution was once world famous for its distinguished faculty and overall academic excellence, particularly during the first three decades of this century. Today, the University of Vienna is considered by many

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<sup>12</sup>Hiscocks, op. cit., p. 157.

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 needs a solution in the liberal tradition. This steady flow  
 of migration has been maintained from Austria to centers  
 of learning in Germany, France, England, and the United States.  
 This tradition is chiefly represented at the University  
 of Vienna. While instruction and research have been in  
 distinguished faculty and overall excellent conditions, per-  
 ticularly during the first three decades of this century.  
 Today, the University of Vienna is threatened by many

<sup>12</sup> Krieger, pp. 212-213, 197.

educators to be second-rate, possessing little of its former eminence. This, unfortunately, characterizes the general trend of Austrian education.

One remaining serious problem has been assimilating into the national community the countless refugees that have entered the country. As stated earlier, the number of refugees passing through Austria since 1945 reached several million. The bulk of those who remained in Austria have been Volksdeutsche, or Germans from Central and Eastern Europe.<sup>13</sup> Although Austria, and Vienna in particular, had always been a melting pot of many nationalities who had migrated to Vienna during the Monarchy, the postwar immigrants have not adjusted easily to the new environment and are, therefore, often troublesome. Collectively, the Volksdeutsche have been dissatisfied with the coalition pattern,

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<sup>13</sup> According to the July 25, 1959, issue of Austrian Information, the refugees may be divided into four groups: 1. The oldest embraced the refugees from the Iron Curtain who during the Second World War had been deported as forced laborers and who happened to be in Austria in 1945. This number was once estimated at nearly a million, but has shrunk to several thousand. 2. The second group consisted of persons of German descent. Most were Danube Suabians and Sudeten Germans. In 1951, there were 385,000 of which 350,000 ultimately assumed Austrian citizenship. 3. The third group was composed of Hungarian refugees. About 180,000 Hungarians fled to Austria as a result of the 1956 Revolt. Of this number, about 10,000 still reside in Austria. 4. The final group were Yugoslavs who started to arrive in 1957, and there are about 15,000 in the country today. There were still some 30,000 refugees in 1964 on state relief, being considered unemployable by the Austrian authorities.



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 into the national community the countries refugees that have  
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 refugees coming through Austria since 1942 reached nearly  
 million. The bulk of those who remained in Austria have  
 been Polish, as German from Central and Eastern  
 Europe. Although smaller, the volume is significant, and  
 they have a strong set of very serious difficulties and are  
 placed in a very delicate position. The position that  
 grants have not helped really to the development and  
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 situation has been complicated with the political system.

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Information, the refugees may be divided into four groups:  
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 laborers and who returned to be in Austria in 1945. This  
 number was also estimated at nearly a million, but the present  
 to several thousand. 2. The second group consisted of  
 persons of German descent, most were Polish, Austrian and  
 German. In 1941, there were 252,000 of which  
 150,000 were actually registered citizens. 3. The  
 third group was composed of Hungarian refugees. About  
 120,000 Hungarians fled to Austria as a result of the 1944  
 events. Of this number, about 10,000 still remain in Aus-  
 tria. 4. The final group were Yugoslavs who fled to  
 Austria in 1941, and there are about 12,000 in the country  
 today. There are still some 20,000 refugees in 1945 in  
 Austria. These refugees are considered by the Austrian  
 authorities.

and have been involved in the few industrial troubles that have taken place in recent years.

### III. THE ROLE OF SPECIAL INTEREST GROUPS

Numerous associations in one way or another seek to influence the foreign policy process in accordance with their perceived interests. The fact that they are tightly organized and able to achieve specific objectives for limited constituencies necessitated their consideration. The number and variety precluded a comprehensive study; instead, several representative organizations were surveyed to gain an insight of their role. In general, religious interests were represented by the Roman Catholic Church, and economic groups were divided into labor and management organizations. The critical role of the Volksdeutsche was described above.

#### Austrian Federation of Trade Unions

Major interest groups in Austria tend to have direct connections with a political party. The outstanding example was the Socialist-dominated Austrian Federation of Trade Unions, which on occasion has played a role in that party's policy-making. Austria has one of the most comprehensive and advanced systems of labor legislation in the world. It pioneered various types of social legislation in the

and have been involved in the few industrial accidents that have taken place in recent years.

### III. THE ROLE OF SPECIAL INTEREST GROUPS

Various associations in one way or another tend to influence the foreign policy process in accordance with their perceived interests. The fact that they are tightly organized and able to achieve specific objectives for limited constitutional necessities makes them formidable. The number and variety of such associations is steadily increasing; several representative organizations were surveyed to gain an insight of their role. In general, religious interests were represented by the Roman Catholic Church, and economic groups were divided into labor and management organizations. The central role of the Volkswagen was described above.

### Austrian Federation of Trade Unions

Major interest groups in Austria tend to have direct connections with a political party. The outstanding example was the Social-Democratic Austrian Federation of Trade Unions, which on occasion has played a role in that party's policy-making. Austria has one of the most comprehensive and advanced systems of labor legislation in the world. It possesses various types of social legislation in the



nineteenth and twentieth centuries before most other European states. In 1893, the first trade union congress convened in Vienna. This led to the establishment of the Trade Union Commission in 1909 and a strong stable labor movement. Later, the large and powerful Austrian Federation of Trade Unions (AFTU) emerged. It includes the former free trade unions, which were concerned with finding a common platform with the international workers' movement, and two former trade associations: the Christian Journeymen and the Christian Social Workers.

Almost two-thirds of the some 2,225,000 gainfully employed nationals are union members. The Austrian Federation of Trade Unions is a supra-party organization with sixteen constituent unions established on an industrial basis. Although officially non-partisan contrasted to the pre-civil war ideological and religious unions, the Austrian Federation of Trade Unions is dominated by Socialists, comprising 70 per cent of the membership. The second strongest group, representing 10 per cent of the membership, follows the conservative philosophy of the People's Party. The Communist membership is about 7 per cent.<sup>14</sup> The remaining members belong either to splinter parties or consider

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<sup>14</sup>Austrian Information (May 30, 1959), 3.

disfranchisement and sweeping contract labor laws after  
 European manner. In 1895, the first Trade Union Congress  
 convened in Vienna. This led to the establishment of the  
 Trade Union Commission in 1905 and a strong Trade Labor  
 movement. Later, the large and powerful Austrian Federation  
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Almost two-thirds of the some 5,555,000 definitely  
 employed nationals are union members. The Austrian Labor-  
 Union of Trade Unions is a major party organization with  
 almost 500,000 members and is affiliated with the  
 Social. Although officially non-partisan connected to the  
 pre-war era socialist and religious unions, the Austrian  
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 prising 90 per cent of the membership. The second largest  
 group, representing 10 per cent of the membership, follows  
 the conservative philosophy of the Republic Party. The  
 Communist membership is about 7 per cent. The remaining  
 members belong either to splinter parties or consider

themselves to be independent. Membership in unions is still voluntary.

The Austrian Federation of Trade Unions was described in the Austrian Information as follows:

It advocates a moderate, responsible program aimed at raising the standard of living of its members without jeopardizing the stability of the economy. Its primary function is to negotiate collective agreements with various industrial interests. Most of its leaders are members of Parliament. It strongly supports democracy and is an active member of the International Confederation of Free Trade Unions (ICFTU) in Brussels.<sup>15</sup>

There have been no general industrial strikes in Austria since the end of the Second World War. A Communist attempt to disrupt the economy over a wage agreement was successfully foiled. As a result, most of the Communist instigators were expelled from the Austrian Federation of Trade Unions. Strikes at the plant-level are infrequent. The Austrian Federation of Trade Unions considers all strikes illegal that are not first cleared with them and refuses financial support for such wildcat strikes.

Occasionally, the Austrian Federation of Trade Unions has become directly involved in attempts to influence foreign policy. For example, in 1956, union members contributed generously to assist Hungarian refugees. In February 1958, Executive Vice President Franz Olah cabled a protest to the

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<sup>15</sup>Ibid.



Information on the subject of the above is being furnished to the Bureau of the Census, Department of Commerce, for their information.

The Russian collection of Trade Names was classified as follows:

It has been a moderate, responsible group since it raised the standard of living of its members. It has been the leading force in the country. Its primary function is to coordinate collective movements with various international laborers. They do not have any members of parliament. It is a very important group and is an active member of the International Confederation of Free Trade Unions (ICTU) in London.

There have been no general industrial strikes in  
France since the end of the Second World War. A Committee  
for Industry was founded over a year ago and was  
nominally elected. As a result, most of the Committee  
members have resigned from the National Federation of  
Trade Unions. There is no first-level industrial  
relations committee in France. There are no committees at all  
that are not first elected after the war and national  
industrial unions for each industrial sector.  
Nominally, the National Federation of Trade Unions  
is known to be involved in attempts to influence foreign  
policy. For example, in 1955, before meeting in Brussels,  
secretary of state for the interior. In February 1956,  
President Jean Monnet from Paris called a meeting to the

Yugoslav Government protesting sentences imposed on former leading trade unionists.<sup>16</sup>

Later that year, the Austrian Federation of Trade Unions published a report entitled "International Trade Unions and Economic Cooperation" written by Heinz Kienzl, Chairman of its Economic Department. The participation of Austria in the European Free Trade Association was strongly endorsed. In the same report, certain concessions were advocated as vital--among them a recommendation for a three year moratorium on tariff reductions so as to assist Austria in maintaining full employment during the initial period. Three factors were cited which were considered peculiar to her position: the retarding effect of ten years of Allied occupation on reconstruction, the unfavorable geographical position as regards maritime commerce, and the economic problems caused by Soviet reparations.<sup>17</sup> In the words of Franz Olah:

We have more opportunities in the field of trade policy as members of EFTA, than we would have in a direct association with the EEC. It is undoubtedly a great advantage for us that our hands are not tied in negotiations and the conclusions of commercial treaties with third states. This is of great importance for Austria in view of her special situation. EFTA membership allows us to

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<sup>16</sup>Austrian Information (February 22, 1958), 2.

<sup>17</sup>Ibid. (October 25, 1958), 5.

[illegible]

Under this name, the American Federation of Labor

Year worked on by David Williams and his staff

THESE FINDINGS HAVE IMPLICATIONS FOR THE DESIGN OF

[illegible]

the data have been reported in the field by French  
being as much as 100% and as little as 10%  
a direct correlation with the 100% is indicated  
only a great advantage for the data is shown  
not that is significant and the correlation of  
correlation exists with the data. This is  
the first correlation for the data in the field  
which is shown. The correlation is shown in the



determine our foreign trade relations with countries to the East and also with any other state in the world. Thus, we may open up for the Austrian economy new markets . . . . I am convinced that the strength of trade unions will have, through a sincere and successful cooperation among EFTA countries, a preponderant influence on a policy of full employment and on the efforts of labor to obtain its due rewards.<sup>18</sup>

### Industrial Chambers

These Chambers are semi-governmental bodies with considerable influence. The Chamber of Labor is made up of delegates elected by industrial workers and is mainly concerned with formulating labor and social legislation. Any proposed bill that might conceivably affect labor must be submitted to this body for its comment and assent. Wage and salary earners have a small percentage of their earnings deducted automatically for the support of this agency.

The Federal Chamber of Trade and Commerce represents industrial interests in a similar capacity, in that any legislation must inevitably be submitted for negotiation and compromise, if necessary. All Austrian enterprises are obligated by law to be members.

The Federal Chamber of Trade and Commerce is divided into sections dealing with commerce; industry; trade, finance, credit, and insurance; communications; and tourist trade. The commerce section is subdivided

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<sup>18</sup>Franz Olah, "Cause for Satisfaction," EFTA Bulletin (December, 1960), 6.

[illegible][illegible]

into federal guilds and trade into federal corporations. The remaining sections are subdivided into professional associations. There is also a Chamber of Trade and Commerce in each Federal Province, subdivided as above.<sup>19</sup>

The Chamber has offices in sixty-six countries, as well as a few honorary agencies.

### The League of Austrian Manufacturers

Founded in the fall of 1946, the League is composed of more than three thousand manufacturing and industrial enterprises. This is a continuation of a tradition established under the Monarchy and carried over in the First Republic of having a central organization to represent manufacturers. Membership in the League is voluntary. It is composed of the General Management, departments dealing with trade, industry, finance, social relations, communications; and sections devoted to the Press and international organizations.<sup>20</sup> This organization seldom presents public resolutions to influence the foreign policy of Austria.

### Roman Catholic Church

Although Austria is predominantly a Catholic state, there is no direct connection between State and Church. The People's Party is mainly Catholic, while some 30 per cent of

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<sup>19</sup>Austria, Facts and Figures, p. 103.

<sup>20</sup>Ibid., p. 104.



into Federal mills and founds new Federal mills.  
The remaining sections are devoted to  
protection of industries. There is also a chapter  
of Trade and Commerce in each Federal Government, and  
divisions as follows:

The General Tax Office is a typical example, as well as a  
few necessary divisions.

### The Office of American Development

Founded in the fall of 1944, the Office is composed  
of four main divisions: American Development and Industrial  
Development. This is a combination of a Federal office  
which under the Secretary has varied from the time  
of its origin to a Federal office in the Department of  
Commerce. Membership in the Office is voluntary. It is  
composed of the General Development, Agricultural Development,  
Trade, Industry, Energy, Social Welfare, Communications,  
and sections devoted to the Press and International Affairs.  
This organization is a Federal office which is a  
State to determine the needs of the people of America.

### Home Office Office

Always known as the Federal Office, it is a  
there is no direct connection between State and Federal. The  
Federal's duty is solely domestic, while the State and

the membership of the Socialist Party are practicing Catholics.<sup>21</sup> The pressure from the Church is of potential influence but is currently only indirectly felt through its lay members playing an active role in public life.

### Bureaucracy

A large percentage of public officials owe their employment directly to the dominant political parties. As early as November 1947, the Coalition itself was formed in proportion to party strength in Parliament. This procedure, known as "proporz" or the distribution of public offices according to the proportionate strength of the parties in Parliament, is found at every level of the bureaucracy.<sup>22</sup>

The extent of proporz was dramatized last year when the Socialist Party acted independently from its partner in the Hapsburg question. This matter produced the first open split in the Coalition, although no drastic changes resulted. Crown Prince Otto, pretender to the Austrian throne, was a

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<sup>21</sup>E. V. Kuehnett-Leddin, "Change of Command in Austria," National Review (April 8, 1961), 214.

<sup>22</sup>Richard Hiscocks, an observer of postwar Austria, writes in The Rebirth of Austria, that proporz has been transferred to the economic area. In the nationalized industries, state and city banks, in radio and public utilities, even in all major private enterprise and cultural fields, the division is nearly equal. To get a job, one must first show his party affiliation.

the membership of the Socialist Party and associated bodies.<sup>12</sup> The pressure from the Church is on substantial influence but is currently only indirectly felt through the lay members playing an active role in public life.

#### Notes

1. A large percentage of public officials see their employment directly or indirectly as the dominant political parties. As early as November 1947, the Coalition Party was accused in proportion to party strength in Parliament. This proportion was as "proportional" or the distribution of public offices according to the proportionate strength of the parties in Parliament, as a result of every level of the hierarchy.<sup>13</sup> The extent of party influence was described last year, when the Socialist Party voted overwhelmingly for the return to the national government. This action produced the first open split in the Coalition, although no formal changes resulted. Since 1947, the Coalition has been a

<sup>12</sup> National Party, *Report of the Committee on the National Party* (London: 1947), 114.

<sup>13</sup> National Party, *Report of the Committee on the National Party* (London: 1947), 114. The National Party has been described as the dominant force in the national government, and its members, in public and private life, have in all major public positions and cultural life, the division is clearly seen. In 1947, the National Party was the party of the majority.



boy when the Hapsburg Monarchy was overthrown, in the aftermath of the First World War. The House of Hapsburg had ruled continuously in Austria since 1282. The new government exiled the royal family and the Hapsburg Law was enacted which banned their return until they renounced all claims to the country and formally accepted the constitution.

Emperor Karl died without changing his position. Empress Zita set up a small court in Spain and still is unwilling to accept the restrictions demanded. Otto was educated at Belgium's Louvain University and married Germany's Princess Regina of Saxe-Neiningen in 1951.<sup>23</sup> Although Otto has little sympathy for socialism, he did agree three years ago to the provisions of the Hapsburg Law and sought to enter Austria. The Government refused his request because of intensive Socialist opposition. The Administrative Court upheld his declaration over the objections of the Government. The membership of the People's Party was willing to abide by this decision, but the Socialists were not so inclined. The latter took their case to Parliament and had new legislation enacted which continued Otto's exile. Because of his willingness to compromise, former Chancellor Gorbach received much criticism from within his own party

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<sup>23</sup>"Return of Otto," Time (June 14, 1963), 34.



and ultimately resigned. Although both sides had an excuse to break the coalition agreement, neither partner did.

In conclusion, there are no large groups in Austria organized specifically to influence foreign policy. This excludes the Institute for Economic Research, whose concern is mainly research and which was mentioned later in the study. Generally, interest groups, with the notable exception of the Austrian Federation of Trade Unions, do not publicly present arguments designed to influence the foreign policy process. Many organized groups may be consulted off the record, but this is a part of the decision-making process about which exists little accurate information.

#### IV. THE ROLE OF POLITICAL PARTIES AND POLITICAL PATTERNS

##### Political Movements

The internal development of the state after the Second World War has been characterized by a stability which is unique in postwar Europe. There has been a pattern of six peaceful national elections. This is in marked contrast to the stormy heritage of the First Republic and constitutes significant progress toward making parliamentary democracy work. One important change was cited by Dr. Renner: "The Austrian parties have developed from regional into state



and ultimately resigned. Although this also led to some  
to make the political movement, which has been  
in connection. There are no other groups in Russia  
organized specifically to influence foreign policy. This  
includes the Institute for Economic Research, whose research  
is mainly research and which was mentioned later in the  
study. Generally, however, groups, with the notable excep-  
tion of the Russian Federation of Trade Unions, do not  
indirectly present arguments designed to influence the foreign  
policy process. Many organized groups may be regarded as  
the result, but this is a part of the decision-making  
process from which other little known groups participate.

#### IV. THE POLITICAL SYSTEM

##### THE POLITICAL SYSTEM

##### Political System

The political development of the state since the  
Revolution has been characterized by a stability which  
is unique in modern Europe. There has been a continuity of  
the executive and legislative branches. This is in marked contrast  
to the many changes in the political and administrative  
structure of the Soviet Union during the revolutionary period.  
The political system was shaped by the Revolution. The  
Russian political system developed from the Revolution.

parties."<sup>24</sup> Ernest H. Buschbeck, in Austria, reviewed the manner by which the political parties acquired dominant roles in the country:

As on the occasion of the foundation of the Austrian Republic in 1918, so on its re-emergence in 1945, the parties did not grow naturally from the soil of existing parliamentary institutions. On the contrary, they preceded the establishment of constitutional bodies and it was they, as self-appointed spokesmen of the public will, who created the institutional framework of the state. This accounts for the tremendous weight and importance, and the almost statutory position, which the parties enjoy.<sup>25</sup>

Herbert P. Secher distinguishes the major political movements within the Austrian society:

It is possible to identify three major political movements in Austria that have perpetuated themselves through over a half century and which have survived, in effect, three major changes in regime: Political Catholicism, Democratic Socialism and German Nationalism represented, respectively, in the First Republic by the Christian Socials, the Social Democrats and the Pan Germans; and during the Second Republic by the Austrian People's Party, the Socialist Party and the so-called "Independents." A successful reconciliation of the demands issuing from these groups - peasants, industrial workers, organized Catholic laity and former National Socialists - have been, in fact, the major objective to which the Austrian coalition policies have addressed themselves since the inception of the Second Republic.<sup>26</sup>

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<sup>24</sup>James K. Pollock, Change and Crisis in European Governments (New York: Rinehart and Company, Inc., 1947), p. 79.

<sup>25</sup>Ernest H. Buschbeck, Austria (London: Oxford University Press, 1949), p. 236.

<sup>26</sup>Herbert P. Secher, "Austria's Survival," Contemporary Political Ideologies, ed. Joseph S. Roucek (Paterson, New Jersey: Littlefield, Adams and Company, 1961), p. 347.





In 1945, the Allies only permitted candidates from the People's Party, the Socialist Party, and the Communist Party to participate. From among the ten parties that entered the 1949 elections emerged the most important splinter party to date--the "Verband der Unabhaengigen"--Association of Independents. In succeeding elections, only these four parties have been able to elect delegates to Parliament. Campaigns have been marked with restraint in attacking foreign policy, since the Coalition partners are jointly responsible for existing programs and policies. Further, the opposition has been badly split and ineffective.

Although on the surface it appears that a multi-party system exists in Austria, in reality only two parties represent the majority of the electorate. The People's and Socialist Parties are both mass parties and regularly receive between them more than four-fifths of the total number of votes cast. The two parties received over 85 per cent of the popular vote in 1962. Since over 90 per cent of eligible voters regularly participate in the national elections, this indicates a consensus which is consistently in agreement with the Coalition.<sup>27</sup>

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<sup>27</sup> For a different view, see Gordon Shepherd, The Austrian Odyssey (London: Macmillan and Company, Ltd., 1957), pp. 185-186. He contends that the rule of the people consists of being able to turn a government out, as well as put it in; and short of voting for Communist or Pan-German minorities, the people have little choice.



Apart from a brief period following the Soviet liberation of Vienna, these two parties have controlled the political arena and shared public offices. The Communist Party, which has never secured more than 5 per cent of the popular vote, left the Coalition in November 1947, when the lone Communist Minister Altmann resigned. Thus with widespread public support, the parties have followed a moderate course in foreign affairs. In avoiding support for extreme parties, Anton Wildgans believes that:

History has taught Austrians service to an idea, and he had in mind the supranational and universal idea. Both main political parties serve great ideas and advocate a mediatory and conciliatory role in international relations.<sup>28</sup>

The major parties are formed along traditional European lines, differing in temperament and views on the nature of the state and society. Richard Hiscocks points out that:

This fundamental contrast in Weltanschauung or philosophy of life, has been one of the main reasons for stability in party loyalties; people are less likely to change allegiances if religious convictions and deep-rooted social attitudes are involved.<sup>29</sup>

The contrast increases the dominance and rigidity of the party organization in the political structure. Voting is carried out according to a system of proportional

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<sup>28</sup>Hiscocks, op. cit., p. 233.

<sup>29</sup>Ibid., p. 49.



As far as a brief period following the Soviet 1945-46 election in Vienna, these two parties have controlled the political scene and secured public opinion. The Communist Party, which was never stronger than 5 per cent of the popular vote, has the position in Germany 1945, when the four Communist Parties signed a common program. This was followed by a public report, and parties have followed a program course in foreign affairs. In various reports for various parties, these various parties have:

History has shown that the Soviet Union is in a position to act in a way that is consistent with the interests of the world. The Soviet Union has a long and distinguished record in the field of international relations. It has been a leading force in the struggle for peace and democracy. It has been a champion of the oppressed peoples of the world. It has been a defender of the rights of the small nations. It has been a promoter of the cause of human progress. It has been a builder of a new world. It has been a creator of a new era. It has been a pioneer of a new path. It has been a leader of a new movement. It has been a champion of a new cause. It has been a defender of a new ideal. It has been a promoter of a new vision. It has been a builder of a new world. It has been a creator of a new era. It has been a pioneer of a new path. It has been a leader of a new movement. It has been a champion of a new cause. It has been a defender of a new ideal. It has been a promoter of a new vision.

The Soviet Union has been a leading force in the struggle for peace and democracy. It has been a champion of the oppressed peoples of the world. It has been a defender of the rights of the small nations. It has been a promoter of the cause of human progress. It has been a builder of a new world. It has been a creator of a new era. It has been a pioneer of a new path. It has been a leader of a new movement. It has been a champion of a new cause. It has been a defender of a new ideal. It has been a promoter of a new vision.

This movement is based on the principles of peace, democracy, and human progress. It is a movement for the oppressed peoples of the world. It is a movement for the rights of the small nations. It is a movement for the cause of human progress. It is a movement for the builder of a new world. It is a movement for the creator of a new era. It is a movement for the pioneer of a new path. It is a movement for the leader of a new movement. It is a movement for the champion of a new cause. It is a movement for the defender of a new ideal. It is a movement for the promoter of a new vision.

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Approved: [Signature]

Date: [Date]

representation and the closed party list, the whole state being divided into no more than twenty-five electoral districts. The voter does not select individuals, but rather votes for a list of candidates selected by the leaders of the party of his preference.

Since there is little, if any, personal contact between a member of Parliament and his constituents, the legislator feels less a representative of the people than a party official. The party maintains strict discipline and determines his vote and actions. As an individual, he is not influential outside of the club.<sup>30</sup> This explains why party members in Parliament pledge total support docilely to party policies, and never vote with the opposition.

The two parties have enforced a Coalition agreement which is the heart of the joint policy-making arrangement. Herbert Secher makes this observation of the system:

Under the stress of the post World War II occupation period these parties were able to develop a contractual system of joint policy-making under which no major piece of legislation may be introduced, no major administrative decision or appointments made by one coalition partner without the consent of the other. Neither majority nor minority are any longer very meaningful terms as used in this Austrian system.<sup>31</sup>

Any infraction of this working agreement is sufficient cause

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<sup>30</sup>Ibid., p. 49.

<sup>31</sup>Secher, op. cit., pp. 345-346.





for the fall of the government. This results in a predetermined result every time members of Parliament vote.

The question arises whether any democracy can stand a total lack of visible strife, honest contradiction and competition. Compromise, as a habit, means loss of vitality; and, in the long run, no political party can survive without the stimulus of competition.<sup>32</sup> While there has been a consistent foreign policy based on certain shared values such as insuring neutrality, many leaders in both parties feel that the Coalition has outlived its usefulness. There is pressure in the People's Party for a harder line on the Right which is matched by similar pressure by the Left wing of the Socialist Party.<sup>33</sup>

As a permanent arrangement, the coalition system contains serious disadvantages. A great strain is placed on political sincerity when party membership is known to be the key to office. Political opinions come to be main qualifications for appointments in which technical knowledge and experience should count the most. Above all, the party aspect of political life is continuously emphasized.<sup>34</sup> This can become a real threat to displace loyalty to the state.

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<sup>32</sup>Hiscocks, op. cit., p. 67.

<sup>33</sup>"Centrifugal," Economist (March 30, 1963), 1217.

<sup>34</sup>Hiscocks, op. cit., p. 52.

for the sake of the government. This results in a pro-  
 stance which many of the members of Parliament voice.

The question arises whether any democracy can stand a  
 fatal lack of public spirit, hence conviction and con-  
 sideration. Conviction, as a habit, means loss of vitality;

and, in the long run, no political party can survive without  
 the stimulus of conviction.<sup>11</sup> While there has been a con-

sistent foreign policy based on certain fixed values upon  
 an increasing activity, many nations in both parties feel  
 that the Coalition has destroyed its vigour. There is  
 pressure in the country every day for a harder line on the

right which is entered by public opinion by the left wing  
 of the political party.<sup>12</sup>

In a permanent emergency, the Coalition system con-  
 stitutes serious disadvantages. A great strain is placed on

political activity when party members are asked to be the  
 key to others. Political activity comes to be a quality-

action for the maintenance of which technical knowledge and  
 experience would count the most. Hence all the party

aspects of political life is continuously agitated.<sup>13</sup> This  
 can become a real threat to discipline in the state.

<sup>11</sup> Winston, pp. 210, 211, 212.

<sup>12</sup> Churchill, *Speeches*, 1951, 1952, 1953, 1954.

<sup>13</sup> Winston, pp. 210, 211, 212.

Another problem is the stifling of leadership and adoption of mediocre policies acceptable to both parties. This is resulting in the gradual destruction of the sound principle of personal responsibility.

There are four national political parties. These are the People's, Socialist, Liberal, and the Austrian Communist Party, in order of their importance. As previously described, only the first two exercise dominant roles in the foreign policy process.

#### People's Party

This party was established in 1945 as the successor to the moderate right Christian Social Party. While the party has consistently polled the greatest popular vote and held a slim majority in the Nationalrat since 1945, it has been unable to elect a President. In the 1962 political campaign, former Chancellors Gorbach and Figl, either of whom might have successfully challenged incumbent President Schaerf, were unwilling to accept the nomination. This resulted in a major defeat for the late Julius Raab, who received only 40 per cent of the popular vote.

The party represents conservative elements in the nation and is composed of the strong middle class. Organized into three federations: farmers, businessmen, and industrial workers, it is controlled by the first two. The



Another problem in the activity of leadership and members of moderate political movements is their position. This is resulting in the gradual weakening of the system of political responsibility.

There are four national political parties, these are the People's, Socialist, Liberal, and the National Conservative Party, in order of their importance. At present, however, only the first two exercise dominant roles in the design of policy process.

### People's Party

This party was established in 1943 as the successor to the moderate right Christian Social Party. While the party has consistently pulled the greatest popular vote and held a slim majority in the Reichstag since 1948, it has been unable to elect a President. In the 1951 political campaign, former Chancellor Adenauer and his party, which at that time had successfully elected German President, were unwilling to accept the nomination. This resulted in a major defeat for the party which, who received only 10 per cent of the popular vote.

The party represents conservative elements in the nation and is composed of the strong middle class. Organized into three federations: farmers, businessmen, and industrial workers, it is controlled by the first two. The

membership is largely Catholic, although the party is officially non-denominational. It emphasizes patriotism, advocates free enterprise, and is a resolved opponent of Communism. The party desires to promote the creation of new private property and favors savings activities, especially in the form of public loans and bonds along with large-scale investments to keep the economy moving. The creation of a larger economic area in Europe is advocated, since this will offer small enterprises new possibilities of development.<sup>32</sup> Finally, it favors expansion of international trade with some protection of domestic industries.

The current leaders are Federal Chancellor Joseph Klaus and Party Secretary General Hermann Withalm. At the Party Convention on September 20, 1963, Dr. Klaus was elected party leader which represented the culmination of efforts of a reform group that had challenged Dr. Gorbach's policy of accommodation with the Socialists. Dr. Klaus had resigned earlier as Finance Minister to demonstrate his dissatisfaction with the Coalition's easy fiscal policies. Although content to wait until the scheduled national elections, Dr. Klaus desires a greater share in the Government to reflect the majority of his party in Parliament.

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<sup>32</sup>Austrian Information (April 25, 1959), 2.

...is largely Catholic, although the party is not  
 strictly non-sectarian. It is a political party, and  
 not a religious one, and is a political party of  
 Democrats. The party desires to promote the division of new  
 private property and more active activities, especially  
 in the form of public loans and bonds about this party.  
 These interests to keep the country moving. The creation  
 of a large economic area in Europe is necessary, and this  
 will create social enterprises and possibilities of develop-  
 ment. Finally, it is a party of international trade  
 with some protection of domestic industries.

The current leaders are Federal Democratic League  
 and Party Secretary General William Wilson. At the  
 Party Convention on September 10, 1905, Dr. Wilson was  
 elected party leader which represented the realization of  
 efforts of a reform group that had organized Dr. Wilson's  
 policy of accommodation with the Socialists. Dr. Wilson had  
 resigned earlier as Finance Minister to concentrate his dis-  
 satisfaction with the existing party fiscal policies.  
 Although content to wait until the national election  
 comes, Dr. Wilson desires a greater share in the government  
 to reflect the majority of his party in parliament.



### Socialist Party

The Socialist Party, founded in 1889, was previously known as the Social Democratic Party. Austrian socialism has two roots: identification with the reformist tradition of the German Social Democratic Party and a radical philosophy based upon a literal translation of Marx's concepts. Herbert Secher points out that:

In the post-World War I era, the Austrian Social Democracy had often been regarded as the theoretical as well as political link between Western Socialism and Soviet Communism. At that time, having foresworn all participation in the national government by retiring into "permanent opposition," the party, through the capture of the city government of Vienna, could there engage in the most extensive and beneficial practices of peaceful economic and social changes . . . while pursuing nationally an orthodox Marxist-revolutionary line.<sup>33</sup>

Robert T. Bower, in Communications and Public Opinion in Austria, agrees with this analysis:

These men [Socialists] worked and argued for universal suffrage, adult education, and a comprehensive health program, rather than planning for a revolution.<sup>34</sup>

When the party was reconstituted in 1945, after eleven years of persecution, its basic ideology had changed. Herbert Secher states:

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<sup>33</sup>Secher, op. cit., p. 355. For the prevailing Austrian conception of Marxism, see Gulick, op. cit., pp. 436-439, 1363-1400.

<sup>34</sup>Robert T. Bower, Communications and Public Opinion in Austria, prepared by the Bureau of Social Science Research, The American University (Washington: The American University, 1954), p. 63.

1. The Social Party: Founded in 1889, was previously known as the Social Democratic Party. American politician was for social identification with the laborer tradition of the German Social Democratic Party and a radical philosophy based upon a liberal tradition of social progress.

For the post-war world was a new, the American Social Democracy had often been regarded as the American way as well as political line between Western Socialism and Soviet Communism. At that time, having been seen all concentrated in the national government by calling for "permanent opposition," the party, through the support of the city government of Vienna, could have been in the most effective and important position of permanent opposition and social change. . . . This was the situation in Vienna.

Aspects, covered with this analysis:

Robert L. Howard, in "Communist Party and Trade Union in

[illegible]

When the party was reconstituted in 1941, after eleven years of persecution, its basic identity had changed.

[illegible]

University, 1921, p. 43.  
See also, The American University, Washington, The American  
in America, reported by the Bureau of Social Science for  
Thomas A. Brown, Communications and Public Opinion

The leading personnel of the party was composed of men who had remained largely untainted by contact with the former discredited radicals. To be sure, the link with Austro-Marxism was acknowledged, but more from a sense of historical courtesy than from a real desire to continue in this ideological direction.<sup>35</sup>

The Socialist Party advocates the free development of the individual which requires the establishment of a mixed national economy, shared between public and private interests. Socialists intend to reach this objective peacefully through economic planning and state control of essential industries. There is the desire to integrate key enterprises into a semi-public economic system and subordinate the influence of management in the economic and administrative sectors for the common good. A wide range of freedom will provide the scope necessary for the initiative of private enterprise and for competition since the Socialists intend to protect private property earned by work in the agricultural and small business branches.<sup>36</sup>

Socialists believe in independence and neutrality vis-à-vis all military alliances; active cooperation in international organizations such as the United Nations; recognition of the contractual rights of the former Austrian population in the South Tyrol, and the implementation of

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<sup>35</sup> Secher, op. cit., p. 357.

<sup>36</sup> Austrian Information (April 25, 1959), 1.





these rights in the spirit of true European understanding.<sup>37</sup> Further, the party opposes Communism and plays down Marxism. While the two parties differ considerably on economic policy, both are in basic agreement with regard to continuing Austria's foreign policy along present lines.

The Socialist Party has the support of urban-organized labor and the lower middle class. Its hold on the trade unions has prevented the growth of Communism. It has in every postwar election received the second largest popular vote and elected both Presidents. The leadership consists of Vice Chancellor and Party Chairman Bruno Pitterman, Transportation Minister and Party Secretary Otto Probst, and Party Secretary Alois Piperger.

### Liberal Party

The Liberal or Freedom Party is of some significance by controlling eight seats in the Nationalrat, which is the minimum number required to introduce legislation. It was organized in 1956 as the successor to the League of Independents which had been dissolved that April. The party is structured along lines similar to the former German National Socialist Party. Highly critical of the Government, the Liberal Party has been hampered by pursuing a program of

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<sup>37</sup> Ibid., p. 3.

These things in the light of facts become interesting.  
 Further, the party opposed Communism and also the Russian.  
 While the two parties differ occasionally on economic policy,  
 both are in basic agreement with regard to maintaining  
 America's foreign policy along present lines.  
 The Socialist Party has the support of union-organized  
 labor and the Jewish media class. Its hold on the media  
 nation has prevented the growth of Communism. It has in  
 every position elected controlled the recent labor policy  
 vote and elected both presidents. The leadership consists  
 of Vice President and Party Chairman James Thompson,  
 Presidential Minister and Party Secretary John Brown, and  
 Party Secretary Alice Dunham.

### Liberal Party

The Liberal or Freedom Party is of some significance  
 by controlling about seven in the Senate, which is the  
 minimum number needed to introduce legislation. It was  
 organized in 1938 as the successor to the League of Labor-  
 Democrats which had been dissolved that April. The party is  
 structured along lines similar to the former German National  
 Socialist Party, highly critical of the government, the  
 Liberal Party has been hampered by pursuing a program of



opposition solely for its own merit. Finally, it receives more support in local than national elections, having been effectively isolated amid the overwhelming trend favoring moderate domestic and foreign policies.

### Austrian Communist Party

The Communist Party is the lone major supranational organization in the country. There has been widespread reluctance by the people to embrace such movements since the 1934 civil war. The Party has never been successful since its establishment in 1918. Forced underground by the Dollfuss Ban of May 1933, its Party leaders fled to the Soviet Union when the Germans entered in 1938.<sup>38</sup> Conspicuous among Western European Communist parties because of its meager support in early postwar elections, it has continued to be unsuccessful in the last two general elections. Many political experts thought that the Communists would be able to elect a few delegates in 1959, but memory of the Hungarian Revolt helped to hand them a total defeat. In 1962, the Communists received less than 3 per cent of the popular vote and most of this was collected in industrial centers.

The government has shown concern over Communist activities and has been effective in checking its potential threat to domestic order. As mentioned earlier, the

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<sup>38</sup>Shepherd, op. cit., p. 149.

opposition solely for its own sake. Finally, it was not  
 more support in local than national elections, though some  
 effectively insisted with the overwhelming trend favoring  
 moderate domestic and foreign policies.

### Political Campaign Policy

The Communist Party in the 1930s was a party of

organization in the country. There was no party

reference by the people to include such members since the

1936 civil war. The party has never been a political party

for establishment in 1936. It was destroyed by the anti-

Communist Act of 1950, the party leaders fled to the Soviet

Union when the Germans entered in 1939.<sup>12</sup> Communist

Western European Communist parties became at the end of

1940 in only a few years. It was destroyed by the

law enacted in the last few years. Many other

and people thought that the Communist party was not

about a few people in 1939, not many of the members

could help to help them a great deal. In 1945, the

Communist party was not a great deal of the people who

and not of this was collected in political parties.

The government has shown concern over Communist

activities and has been effective in checking its potential

threat to domestic order. As mentioned earlier, the

<sup>12</sup> Communist, 22-23, 24-25.

government expelled from the country in 1956 the Communist-controlled World Federation of Trade Unions. Austrian authorities clearly recognized that the operations of this front agency endangered diplomatic relations with the West, particularly the United States.

Austrian Communists advocate the creation of a "People's Democracy," without defining that goal. Besides opposing most governmental action, Communists campaign for further nationalization of industry, land reforms, and broader social welfare. The Party has opposed military preparedness, attacks the North Atlantic Treaty Organization, and seeks complete political, economic and ideology neutrality in the Cold War struggle.<sup>39</sup> In the ideological split between the Soviet Union and Communist China, it actively supports the former.

The leaders include Party Chairman Koplenig, F. Honner and F. Fuernberg; the latter two having entered the country from Yugoslavia, where they fought in the Second World War. It was concluded that, while small, the Communist Party has experienced leadership and the support of the Soviet Government. Although the Communists have insignificant influence on governmental policy formulation, care must

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<sup>39</sup>Walter H. Mallory, Political Handbook and Atlas of the World (New York: Harper and Row Company, 1963), p. 13.



government expelled from the country in 1955 the Communist-  
controlled Soviet Embassy at Trade Union, Australia  
authorities clearly indicated that the operations of this  
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Australian Communist advocates the creation of a  
"People's Democracy," without defining that goal, besides  
opposing any governmental action, Communist campaign for  
further nationalization of industry, land reform, and  
broader social welfare. The party has opposed military par-  
ticipation, attended the North Atlantic Treaty Organization,  
and voted various political, economic and identity con-  
sistently in the Cold War struggle.<sup>10</sup> In the ideological  
split between the Soviet Union and Communist China, it  
actively supports the former.

The London-based Party Chairman explains:  
"Homer and P. Rosenberg; the latter two having entered the  
country from Yugoslavia, where they found in the second  
World War. It is concluded that, while small, the Com-  
munist Party has unquestioned leadership and the support of the  
Soviet government. Although the Communists have helped  
great influence on governmental policy formation, they must

<sup>10</sup> Walter D. Dillist, Political Movement and Policy of  
The Party (New York: Harper and Row Company, 1951), p. 12.

be exercised in appraising their continuing threat to the state.

### Splinter Parties

In addition, there are various splinter parties, which have succeeded in capturing less than 1 per cent of the vote combined in any general election. The newest group is the European Federalist Party which was formed shortly before the 1962 elections. The party was unable to elect any delegates and has no power in government. The major characteristics of splinter parties are their local character, narrow outlook, and lack of organization. The following six parties have yet to elect their first delegate to the Nationalrat: the Ergocratic Party, Free Workers' Movement of Austria, the Austrian Middle Class Party, Austrian Patriotic Union, Parliamentary Representation of those Barred from Voting, of Non-Voters and Invalid Votes, and the Party of Reason.

### Elites

Elite factions which influence the foreign policy process are found in several distinct occupational fields. The principal government officials including those in the Ministry for Foreign Affairs constitutes the first group, the role of which will be discussed in Chapter VII. A second group consists of an upper level of intellectuals.





Another faction is composed of high caliber economists, working in a small semi-official institution--the Institution for Economic Research. This autonomous agency is sponsored by many organizations, including unions, political parties, and the government.

The staff, headed by Professor Franz Nemschak, consists of twenty economists who deal with specialized matters of common concern to many branches of the government. Monthly reports are issued which cause frank debates within élite circles. All foreign economic questions are first analyzed by the Institution, from which emerges recommendations for appropriate action by the government. Concerning the pending application for association with the European Economic Community, Professor Nemschak has stated:

Unless association is reached, Austria will be forced into more bilateral trade with the Communist bloc, increased government planning, low productivity, and eventual loss of political freedom and independence.<sup>40</sup>

The leaders of the People's Party have accepted this conclusion wholeheartedly, but many Socialists have serious reservations even though supporting the Coalition's request for negotiations with the European Economic Community.

The intellectuals may be conveniently classified as belonging to one of three political societies, which are

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<sup>40</sup>Henry Hazlitt, "One World or Many?," Newsweek (October 7, 1963), 95.

Another function is composed of high caliber economists working in a small semi-official institution—the Institute for Economic Research. This autonomous agency is sponsored by many organizations, including unions, political parties, and the government.

The staff, headed by Professor Franz Neustadter, consists of twenty economists who deal with specialized matters of common concern to many agencies of the government. Monthly reports are issued which serve as a basis for discussion within the office. All foreign economic questions are first analyzed by the Institute, from which various recommendations are forwarded to the government. Concerning the pending application for association with the European Economic Community, Professor Neustadter and staff:

Before membership is reached, Austria will be forced into some difficult trade with the Community which increased government planning, the economy, and eventual loss of political freedom and independence. The leaders of the People's Party have accepted this condition voluntarily, but many Socialists have serious reservations over joining regarding the Coalition's impact for negotiations with the European Economic Community. The Socialists say the Community is classified as belonging to one of three political categories, with the

centered around a political publication. In general terms, these debating groups have been organized for over a decade, but only within the last two years have they been able to influence seriously the highest public officials. They are in constant contact with all levels of the bureaucracy. Finally, most solicit contributors from other political factions to participate in open debate.

The Socialist faction is concentrated around Die Zukunft, the ideological monthly of the Socialist Party. Open discussions are permitted to help reach decisions. Intellectuals, both inside and outside of the framework of party machinery, are invited to participate. Once an issue has been handled, it is published in the party press and no official dissent is tolerated.

The second group centers around Furche, the ideological weekly of the People's Party. This faction represents Left Catholicism in the party. Matters of fundamental doctrine are debated within this group, which includes the most respected party intellectuals.

The final group may be placed between the preceding two, and is composed of right-wing Socialist sympathizers. They support the monthly publication of Forum. Among its principal contributors is Guenther Menning, author of several books on politics and of a master plan for future Socialist development.



composed almost a political organization. In general terms, these debating groups have been organized for some time, but only within the last two years have they been able to influence seriously the Japanese public officials. They are in constant contact with all levels of the bureaucracy. Finally, these social organizations have been political tools to participate in open debate.

The political system is characterized almost by liberalism, the ideological basis of the political party. Great attention was paid to the party's political life. Intellectuals, both inside and outside of the government, are very active, and active in politics. There are many new men in the party, as is indicated in the party's new and official program for elections.

The second group consists almost entirely of the liberal-  
dal group of the party's party. This group is somewhat  
less liberal in the party. There is a tendency to  
find new leaders within this group, who within the party  
represent party intellectuals.

The third group may be found between the preceding  
two, and is composed of right-wing socialist organizations.  
They support the political activities of Japan. Among the  
principles of liberalism is the right to freedom, which is

several times as important as of a matter of the party  
socialist principles.

These diverse groups have prepared and educated a whole generation of political writers within the Coalition who have large followings. The debates on ideology have created a real stir this year, since the intellectuals have sensed the opportunity to expand their influence. It is important to note that these groups have had an overall conciliatory effect upon the Coalition by resolving internal political differences.

#### Mass Communications

With a low illiteracy rate, common language, and modern press and communications facilities, the nation is well informed about foreign affairs, but unable to influence foreign policy directly because few issues are brought before the voters for their action. The most basic point to note about Austria's mass media is their national character. Strictly local and provincial newspapers are minor in relation to the media centered in Vienna. The Austrian audience is essentially national for newspapers, magazines, radio and television. Opinion on foreign policy is formed nationally and not regionally.

The government controls all radio and television broadcasting. With this monopoly, the government is able to manage the news in a way that avoids outright conflict between the major political factions. On alternating week

Those living groups have prepared and conducted a whole generation of political writers within the coalition who have large followings. The debates on ideology have created a real split, and the intellectualists have secured the opportunity to express their influence. It is important to note that these groups have had an overall consistency of view upon the coalition by retaining internal political differences.

#### Mass Communications

With a low literacy rate, common language, and modern press and communication facilities, the nation is well informed about foreign affairs, but unable to influence foreign policy directly because few issues are brought before the voters for their action. The most basic point to note about Austria's mass media is their national character. Locally, local and provincial newspapers are common in relation to the media centered in Vienna. The Austrian audience is essentially national for newspapers, magazines, radio and television. Opinion on foreign policy is formed nationally and not regionally.

The government controls all radio and television broadcasting. With this monopoly the government is able to manage the news in a way that avoids outside conflict between the major political factions. An interesting note



ends, the Chancellor and Vice Chancellor appear separately on radio to describe briefly the political action of each. There is little commentary on foreign policy outside of these prepared presentations.

A few general impressions about the contents of newspapers and magazines are in order. The contest for the attention of the reading public is intense with thirty-five daily newspapers being published six days a week. The dailies do not publish on Mondays, and there are six so-called "Monday papers" published to fill the void. These are similar to community papers serving local areas in the United States.

Impartiality in Austrian radio and television contrasts sharply with partisan attachments on the part of the press. The majority of newspapers are either directly controlled party organs, or are allied in some way with one of the parties.<sup>41</sup> It is a common practice of the Communist press, as well as other party-affiliated newspapers, to handle news almost like editorials. On the other hand,

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<sup>41</sup>The people normally read newspapers supported by the party of their choice. For details, see Bower, op. cit., pp. 69-75. The report concludes that dailies are read by more men, and weeklies by women; dailies have a predominantly urban, weeklies a rural, readership; and those with lower incomes prefer local sections of the dailies, and the weekly sheets. In general, business circles prefer the non-party press, workers the Socialists papers, and farmers the People's press.



feature material does not appear in the daily newspapers to as great an extent as in the United States; it is considered more appropriate to weekly newspapers and magazines.<sup>42</sup>

In conclusion, Austria's mass media are important elements in the foreign policy process, chiefly in providing the rapid means of transmitting knowledge about events among the various elements in the process. A large majority of Austrians can be rapidly exposed to the government's view as to the significance of foreign policy developments. Finally, the press supplements existing lines of intra-governmental communication, informing policy-makers in all branches of government of current policies. The nature of intra-governmental relations is discussed next.

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<sup>42</sup>For analyses centered around this point, see Dower, op. cit., p. 63.





## CHAPTER VI

### THE POLITICAL PROCESS--INTRA-GOVERNMENTAL RELATIONSHIPS

#### I. LEGISLATIVE-EXECUTIVE

##### Powerful Executive

There has been a reversal in the traditionally dependent legislative-executive relationship in Austria. The legislative branch has been relegated to a forum, while the executive branch has expanded its power and obtained the initiative in the policy-making process. Insignificant constitutional authority is available for Parliament to curb the actions of the Executive. Although the Chancellor and Cabinet are technically responsible to the Nationalrat, it has been shown earlier that this legislative power has been negated by the political pattern. On the other hand, the Chancellor has emerged as the dominant figure in the entire foreign policy process.

The authority of the executive branch is found in the Coalition Committee and Cabinet. The Chancellor serves as the head of the Cabinet and exercises broad powers, even though individual ministers have primary jurisdiction and responsibility for their respective ministries. Differences within this branch are settled in secret sessions. Whenever

## CHAPTER VI

### THE POLITICAL PROCESS--LEGISLATION

#### LEGISLATION

##### 1. THE LEGISLATIVE PROCESS

###### Executive Council

There has been a reversal in the traditional

dependent legislative-executive relationship in India.

The legislative branch has been relegated to a lesser, while the executive branch has expanded its power and control. The executive is the policy-making process, and legislative is

executive authority is available for Parliament to

the actions of the executive. Although the Chancellor and

Cabinet are nominally responsible to the Parliament, it

has been acknowledged that the legislative power has been

negated by the political system. On the other hand, the

Chancellor has emerged as the dominant figure in the entire

foreign policy process.

The authority of the executive branch is found in the

Executive Council and Cabinet. The Chancellor serves as

the head of the Cabinet and exercises broad powers, even

those involving military and foreign relations and

responsibilities for such executive functions. Furthermore,

within this branch are located in special positions, members



compromise has been deemed impossible, the government has resigned; which means that the same people must once again negotiate with one another, with approximately the same strength held in Parliament.

### Parliament's Indirect Role

Austrian postwar political innovations have had the effect of limiting the authority of Parliament to voting the budget estimate, without, however, the right to control expenditures or the actions of the executives in any field.<sup>1</sup> The absence of legislative controls has reduced the legislature to performing a mechanical role with no option for dissent. Foreign policy is not conceived as the product of legislative deliberation but rather as a matter for approval after it has been submitted by the Government. Richard Hiscocks expresses this predicament:

Since 1945, the Lower House [Nationalrat] has not initiated any basic decisions, and has seldom reshaped them in debate. It is neither the source nor molder of policy, but merely the formal seal of democracy stamped on a steady stream of compromise edicts worked out by the Coalition managers. The function of the Upper House [Bundesrat] may be described as putting the red ribbon on the seal, in twelve years it did not reject a single measure submitted to it.<sup>2</sup>

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<sup>1</sup>"Parliament Seeks Increased Powers," The New York Times, March 26, 1961.

<sup>2</sup>Richard Hiscocks, The Rebirth of Austria (London: Oxford University Press, 1953), p. 186.

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 to negotiate with the Emperor, with approximately the same  
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#### Parliamentary System

Austria's post-war political innovations have had the  
 effect of limiting the autonomy of Parliament in respect of  
 budget matters; without, however, the right to control  
 expenditure or the action of the executive in any kind.<sup>1</sup>  
 The system of legislative control has reduced the degree  
 to which Parliament is performing a traditional role which we define for  
 Germany. Foreign policy is not conceived as the domain of  
 legislative deliberation but rather as a matter for executive  
 action. It has been withdrawn by the Government. Richard  
 Schickel expresses this position:

Since 1945, the lower house (Nationalrat) has not  
 initiated any basic legislation, and has seldom  
 opposed laws in debate. It is limited to the control  
 of financial policy, but merely the formal vote  
 of approval. The function of the lower house  
 (Nationalrat) may be described as limiting the  
 action of the executive, in twelve years it will not  
 reject a single measure submitted to it.<sup>2</sup>

<sup>1</sup> "Parliamentary System in Austria", *The New York Times*,  
 March 18, 1951.

<sup>2</sup> Richard Schickel, *The History of Austria* (London:  
 Oxford University Press, 1957), p. 100.

This is indicative of the "milquetoast" character of Parliament.

Parliament can neither fashion nor reflect public opinion, since there is little contact between the people and their elected representatives. It is clear that the legislative procedure is of an impersonal nature. This is increased by the rule requiring certain proposed legislation to be initially submitted to chambers, which represent sectional interest groups. In the case of legislation wholeheartedly approved by the interests concerned, the subsequent parliamentary proceedings tend to lose in significance.<sup>3</sup>

In an attempt to increase its meager role in foreign affairs, Parliament created, in 1956, a Foreign Affairs Committee to work closely with those charged with conducting Austria's foreign policy. The Foreign Minister now submits duplicate reports on foreign relations to that body and the Cabinet. The Foreign Affairs Committee meets weekly in closed session.

A few years later, the Austrian Government copied the British House of Commons question hour, during which time government officials are more or less required to reply to inquiries.<sup>4</sup> These exchange sessions help to bind the two

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<sup>3</sup> Hiscocks, op. cit., p. 50.

<sup>4</sup> New item in The New York Times, March 26, 1961.



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america.

Parliament can no longer be a public

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legislative procedure is of an exceptional nature. This is

illustrated by the fact that the proposed legislation

is not usually submitted to the people, which represents the

national interest groups. In the case of legislative bodies

heavily influenced by the interests concerned, the subsequent

parliamentary proceedings tend to have a significance.

In an attempt to increase its power this is done by

attacking, parliament criticism. In 1934, a foreign affairs com-

mission to work closely with those engaged with controlling

America's foreign policy. The foreign minister now submits

legislative reports on foreign relations to that body and the

Cabinet. The foreign affairs committee meets weekly in

closed session.

A few years later, the American government created the

British Royal Air Commission (1934), during which time

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inquiries.<sup>1</sup> These inquiries maintain help to him the two

<sup>1</sup> *Observer*, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

<sup>2</sup> *New York Times*, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

branches closer together, but the broader relationship persists. In 1963, Parliament potentially acquired more power as the result of a quarrel between the Coalition parties. Both agreed to permit a free vote in the Chambers on measures, after a certain time, on which the Cabinet cannot agree.<sup>5</sup> Prior to this concession, the parties did not interfere on votes which concerned issues not directly related to basic policies.

It is concluded that while the legislative branch is dependent upon the executive branch in most instances, that it is quietly seeking to expand its influence. Open tension between these branches is not evident because of overriding political considerations.

## II. CHANCELLOR-GOVERNMENT

### Role of Chancellor

The Chancellor is the active head of government and is held legally responsible by Parliament for all actions of the Austrian Government. He is the dominant figure in all policy decisions concerning foreign relations, since the President is only a titular figure. Although the extent of any leader's power is curtailed by the coalition pattern,

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<sup>5</sup>"Centrifugal," Economist (March 30, 1963), 1217.

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The Commission is the active arm of Government and is held jointly responsible by Parliament for all actions of the Executive Government. It is the dominant figure in all policy decisions concerning foreign relations, even the President is only a reserve figure. Although the scope of any leader's power is controlled by the coalition system,



the office of Chancellor has become the most prominent one in the foreign policy process for several obvious reasons.

First, as elected leader of the political party with a majority in Parliament, he controls a formidable bloc of votes. He consults with the President in all important appointments, and his recommendations are always accepted. Candidates for cabinet posts are jointly reviewed and approved by these two officials, in order to promote harmony in the new administration. The Chancellor must pursue a policy which will create trust within the opposition, while retaining the loyalty of his own colleagues.

Second, his role as Chairman of the Cabinet is important in that he controls and leads all discussions. In a sense, he is the first among equals. It is his task to introduce to the Cabinet for further public consumption, the majority of agreements secretly reached by the Coalition Committee. Although he cannot exercise a formal veto, it is seldom necessary as his opinion and political judgment is widely respected.

### III. COALITION COMMITTEE-GOVERNMENT

#### Coalition Committee

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Under the prevailing system, often the real authority is not exercised by the Chancellor and Cabinet, but by a sub-committee of the Coalition Committee which meets on an ad hoc

basis. This body is composed of fourteen politicians, equally divided between the ruling coalition parties. All but one representative of the People's Party hold public office. It can be seen that this is a fluid personal arrangement, both inside and outside of the government. It is outside, not only because of its membership but also because official decision-making channels are often not utilized until after the decision has been reached. In addition to these permanent members, interested ministers and officials are invited to participate, depending upon the scope and nature of the issues under consideration. Thus, the Committee becomes the supreme executive, and in a sense an inner cabinet.

Each side gives its views and attempts to keep all controversies within the committee. The majority of inter-departmental disputes are settled here. The result of the meetings is transmitted to the Cabinet for implementation. In rare cases, Parliament might be given an opportunity to break a deadlock. A widespread popular consensus for the coalition system permits this informal apparatus to work. People trust their government and do not keep a close watch on its actions.

The powers of this committee cover the entire field of political action from fundamental policy formulation to specific legislative bills. Its influence on the legislature



basis. This body is composed of numerous politicians, usually divided between the ruling coalition parties. All but one representative of the people's party and public affairs. It can be seen that this is a kind of personal arrangement, with limited and outside of the government. It is outside, not only because of its membership but also because official state-owned companies are not allowed to be involved in the decision-making process. In addition to these permanent members, interested individuals and officials are invited as specialists, depending upon the specific nature of the issues under discussion. Thus, the Committee becomes the expert committee, and in a sense an inner cabinet. Each side gives its views and attempts to bring all controversies within the committee. The majority of the departmental divisions are invited here. The result of the meeting is presented to the Council for Administrative Affairs. It is noted that Parliament might be given the opportunity to meet a decision. A widespread political consensus for the political system would be an informal agreement to work. People trust their government and do not keep a close watch on the system. The power of this committee covers the entire field of political action from administrative policy formulation to specific legislative bills. The influence on the legislative

is total. With this committee's approval, no important piece of legislation may be submitted to Parliament. Its approval automatically guarantees a bill's enactment because of the instructed party vote.

One problem with this concept was reflected in the spring of 1963. It took eighteen weeks to re-establish the Coalition, which was finally sworn in on March 23, 1963. Since both sides must agree on all proposed legislation, stalemates are frequent, and it is generally an awkward arrangement.<sup>6</sup> It has, in conclusion, appeared that the actual process of policy formulation and enactment has developed differently than that stipulated in the Constitution.

#### IV. MINISTRY FOR FOREIGN AFFAIRS-- OTHER MINISTRIES

There is present the normal rivalry which occurs between competing governmental agencies with different technical goals and constituents. Originally, all of the Federal Ministries were either offices or departments under the central Office of the Federal Chancellor. There are also involved political considerations: the Foreign Minister is a Socialist, while the Ministries of National Defense, Finance, and Trade are headed by Conservatives.

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<sup>6</sup>News item in The New York Times, October 28, 1962.





This conflict has been most visible in the pending Austrian application for Associate Membership in the European Economic Community. This clash has not been offset by the coalition arrangement which places the Secretaries of State second in charge administratively of the other political party. For example, the State Secretary in the Foreign Ministry is restricted to exercising only those powers explicitly delegated to him by the Foreign Minister.<sup>7</sup> He is seldom invited to attend cabinet and Coalition Committee meetings.

#### Ministry of National Defense

There are weekly meetings between these two ministries on the ministerial level. Generally, communications tend to be one sided, from the Foreign Ministry to the Defense Ministry. This stems from the fact that the Ministry of National Defense is primarily a recipient agency for implementing policies, rather than for recommending courses of action as a pressure group.

The defense forces are officially and in practice non-partisan. This follows the general pattern in Western democratic states of prohibiting political power to the military. Considering these two factors, it is concluded

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<sup>7</sup>For further discussion, see infra, pp. 125-131.

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<sup>7</sup>For further discussion, see note, pp. 112-113.

that the Ministry of National Defense and the military establishment, in general, exercise little, if any, direct influence upon the foreign policy process. However, there is little doubt that the military does exert indirect power as a large employer and customer of domestic products.

### Ministry of Finance

The Finance Ministry has a small staff which maintains relations with the Foreign Ministry through the latter's budgetary division. Monthly meetings are held between the Finance Ministry and the rest of the cabinet members to discuss fiscal matters. Since the budget is small, every effort is made to operate in a clearly-defined and operationally-feasible context.

Austria has begun contributing to the economic progress of the developing nations in Africa and Asia. The need for close coordination in controlling official contributions has helped to overcome political differences between various department heads. In 1961, Austria devoted approximately 1 per cent of her budget for foreign aid. Official net contributions amounted to \$2.2 million and consisted of \$0.5 million in technical cooperation grants and \$1.7 million to multilateral organizations.<sup>8</sup>

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<sup>8</sup>The Flow of Financial Resources to Developing Countries in 1961 (Paris: Organization for Economic Cooperation and Development Information Service, 1963), p. 31. In addition to official contributions, the Government guaranteed



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### Ministry of Trade and Reconstruction

In November 1962, the Conservatives won a narrow but significant victory in the national elections. Chancellor Gorbach, under pressure of a strong reform movement within his party, tried to force Socialist Foreign Minister Kreisky to resign. Unsuccessful in this maneuver, he later proposed that the Foreign Ministry's responsibility for European economic affairs be transferred to a new ministry where one of his colleagues would pursue the Conservative approach. As a final compromise, the Economic Policy Section of the Foreign Ministry was transferred to the Trade Ministry, which was under the control of the People's Party. Thus, all foreign trade came under the jurisdiction of the Trade Ministry.

Coordination between these two ministries is achieved through the Division for Economic Coordination in the Office of the Federal Chancellor. This division settles all disputes and presents a common policy for foreign audiences. This is necessary because in many technical matters concerning other states, the cognizant minister has authority to negotiate directly in the name of the government.

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private export credits to a large number of countries. The total net increase amounted to \$15.6 million in 1961, as against \$4.6 million in 1960.

# Ministry of Trade and Transportation

In November 1941, the Government, and a narrow but significant victory in the national election. Economic growth, under pressure of a severe export embargo which his party, said to have helped French Minister Rivet to resign. Unconvinced in this manner, he later proposed that the Foreign Ministry's responsibility for European economic affairs be transferred to a new ministry where one of his colleagues would remain the Government's spokesman. As a final compromise, the Economic Policy Section of the Foreign Ministry was transferred to the Trade Ministry, which was under the control of the party's party. Thus, all foreign trade came under the jurisdiction of the Trade Ministry.

Coordination between these two ministries is achieved through the Division for Economic Coordination in the Office of the National Council. This division settles all disputes and formulates a common policy for foreign relations. This is necessary because in many countries, subject countries often resist, the national minister has authority to represent directly in the name of the Government.

Private export credits for a large number of countries. The total net exports amounted to \$2.2 billion in 1951, as against \$4.5 billion in 1950.



## V. BUDGETARY FACTORS

The fiscal year is the calendar year. The Ministers submit their annual budget requests to the Finance Ministry in late spring. These are consolidated and a rough draft is prepared in early summer for circulation throughout the government. In the following fiscal discussions, every attempt is made to balance the budget. The Finance Minister works with a fixed ceiling imposed by the Coalition Committee. Guidelines used in recent years have included restricting governmental projects to only major investments and to refraining from any further increase in the national debt.<sup>9</sup>

The final budget is sent to each ministry before being submitted to Parliament. The Constitution obliges the Government to submit the draft to Parliament, not later than ten weeks before the end of the current financial year. Every year before the official adoption of the budget, the Finance Minister gives his report on the budget and a review of economic progress to the Ways and Means Committee and to the Plenary Session of the Nationalrat.

The estimates are then referred to the Budget Committee where they are discussed in detail for about four weeks. After they have passed the committee stage, they are

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<sup>9</sup>Austrian Information (November 27, 1961), 1.

The fiscal year is the calendar year. The estimates of the annual budget are prepared by the Finance Ministry in late spring. There are consolidated and a loose draft is prepared in early summer for discussion throughout the Government. In the following fiscal discussions, every attempt is made to outline the budget. The Finance Ministry works with a fixed ceiling imposed by the Cabinet Committee. Estimates are made for each year and for each year. The Governmental projects for each year are made and so maintaining from any further increase in the national debt.<sup>6</sup>

The fiscal budget is made to meet military needs being submitted to Parliament. The Government outlines the Government to submit the draft to Parliament, and later than two weeks before the end of the current financial year. Every year before the official adoption of the budget, the Finance Minister gives his report on the budget and a review of economic progress to the High and House Committee and to the Finance Committee of the Parliament.

The estimates are then referred to the Budget Committee and there they are discussed in detail for about four weeks. After that have passed the Committee stage, they are

<sup>6</sup> *Japanese Government* (November 17, 1902), 1.

referred back to the Plenary where they are again fully discussed. As a result of this process, the estimates are usually approved on or about December 15. Amendments to the estimates are possible at all of these stages.

This procedure does not constitute an obstacle to the executive branch, since the submission of the report and the budget estimates are formalities done to comply with the technical provisions of the Constitution. Should Parliament not have approved by December 31, the budget estimates or a provisional budget, the Constitution has the further stipulation that the previous budget should be applied during the first two months of the new year.

The factors which influence the political process have been analyzed. Since foreign policies are in a constant process of formulation and implementation, the next chapter is devoted to the organization for foreign policy-making. The role and power of the executive and legislative branches of the government are discussed.



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## CHAPTER VII

### ORGANIZATION FOR FOREIGN AFFAIRS

#### I. CONSTITUTION AND LAWS

According to Article One of the Constitution of October 1, 1920, "Austria is a democratic federal republic. Its powers are derived from the people."<sup>1</sup> Further, the federal state consists of the following provinces: Burgenland, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Vorarlberg, Tyrol, and Vienna. The great diversity and the local needs of the provinces are taken into consideration. Each province has an elected assembly (Landtag) and an elected governor (Landeshauptmann) who is both the premier for the autonomous provincial administration and the chief local official of the central administration.

#### Rights of Citizenship

The basic rights of Austrian citizens were formulated under the Dual Monarchy in the Statute of December 21, 1867, which still forms a part of the present constitution. This statute incorporates the principle that "all citizens are

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<sup>1</sup>For the text of the Austrian Constitution, see Amos J. Peaslee, Constitutions of Nations (second edition; Concord: Rumford Press, 1945), Vol. I, pp. 107-148.

DOI: 10.1002/for

[illegible]

The basic objective of the research was to determine the effect of the use of the word "and" in the title of the research paper on the number of citations received by the paper. The results of the research are presented in the following table.

1. The first of the Russian Revolution, was the  
2. Russian Revolution of 1917 (October Revolution)  
3. Russian Revolution of 1917 (October Revolution)  
4. Russian Revolution of 1917 (October Revolution)



equal before the law, that makes no distinction with regard to birth, sex, status, class, or religion."<sup>2</sup> Further, all public offices are open to all citizens.

Austrian citizens are guaranteed the following fundamental rights:

1. Equality before the law
2. Access to public office
3. Freedom of movement for persons and their property
4. Inviolability of property
5. Freedom of residence and to choose own domicile
6. Abolition of any kind of subjection
7. Personal freedom
8. Inviolability of domestic right
9. Secrecy of correspondence
10. Freedom to meet and associate
11. Freedom of science and teaching
12. Freedom of speech
13. Freedom to choose own profession
14. Freedom of worship and conscience
15. Equality before the law as regards ethnic groups
16. Right of petition.<sup>3</sup>

### Federal Authority

Under the Constitution of 1920, the influence of the President on federal legislation and foreign policy was limited. The stress on the singular importance of the Lower House of Parliament, and its dominance over the executive branch, was partly due to the political philosophy of the

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<sup>2</sup> Austria, Facts and Figures, p. 15.

<sup>3</sup> Friedrich Hoser (ed.), Short Review of Social and Working Conditions of Employed Persons in Austria (Vienna: AFTU, 1963), p. 4.



Social Democrats, whose views were then ascendant. This party laid great emphasis on the necessity for concentrating power in one democratically elected Chamber.<sup>4</sup> The severe limitations of this arrangement were many, and finally action was taken to redress the balance of power in the government. The constitutional reform of 1929 was an attempt to give the executive branch more control over the actions of the government. Richard Hiscocks points out:

Even these reforms were limited to those on which the two main parties could agree, owing to the rule that any constitutional change required approval by a two-thirds majority.<sup>5</sup>

The reforms did establish the procedure for the popular election of the President. Nevertheless, the real power of this public leader remained tightly controlled by the political parties.

The exclusive jurisdiction of the Federal Government in conducting the state's foreign affairs is enumerated in Article Ten. According to Section Two of this article, legislative and executive power in regard to foreign affairs, including political and economic representation abroad, and especially the conclusion of political treaties, the

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<sup>4</sup>Mary MacDonald, The Republic of Austria 1918-1934, A Study in the Failure of Democratic Government (London: Oxford University Press, 1946), p. 13.

<sup>5</sup>Richard Hiscocks, The Rebirth of Austria (London: Oxford University Press, 1953), p. 4.



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The executive jurisdiction of the Federal Government in conducting the state's foreign affairs is enumerated in Article 10. According to Article 7 of this article, legislative and executive power is shared by certain officials including political and economic representatives abroad, and especially the conclusion of political treaties, the

<sup>1</sup>Harry Kuchel, The Republic of Austria 1918-1955, A Study in the Making of a Democratic Government (London: Oxford University Press, 1955), p. 17.

<sup>2</sup>Richard Hilsbrant, The Republic of Austria (London: Oxford University Press, 1953), p. 4.

limitation of boundaries, and the conduct of foreign trade is vested solely in the federation.

The Constitution expressly preserves the principle that the judicial branch must be kept separate and independent from the other branches of government. This led to the establishment of the Constitutional Court, which is the highest court in the country. It is composed of judges who are not subjected to the government's instructions. Further, this independence is safeguarded by the proviso that these judges may be neither dismissed nor transferred.

The Second Austrian Republic is administered according to the Constitution and existing laws. The chief executive powers are vested in the Federal President and the Federal Ministers. The major legislative powers are vested in the Nationalrat, the Lower House of Parliament.

## II. FEDERAL PRESIDENT

### Power

The Federal President is the Head of State. He is elected for a six-year term by direct and secret ballot. Re-election is permissible only once. He receives an oath of allegiance from each of the nine provincial governors.

While his constituted powers are broad in scope, his actual authority is meager. The President has judicial powers, such as appointing federal judges to the various

limitation of jurisdiction, and the conduct of foreign affairs is vested solely in the President.

The Constitution expressly reserves the judicial

and the judicial power and the right to appoint and remove the judges of the Supreme Court, which is the

essence of the judicial power, which is the

right of the President. It is composed of judges who

are not subject to the President's instructions, removal,

this independence is guaranteed by the President's power

to appoint and remove judges and to appoint and

the President's power is absolute and exclusive

to the President and not shared with the other branches.

power is vested in the President and the judicial

branch. The other legislative power and power in the

President, the power of the President.

## II. FEDERAL PRINCIPLE

### Power

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Re-election is possible only once. It receives an oath

of allegiance from each of the nine judicial members.

While the President's power is limited in scope, his

actual authority is great. The President has judicial

power, such as appointing federal judges to the various



courts. In the legislative area, he has the power to convoke or prorogue either House of the Parliament. In addition, he can dissolve the Nationalrat, but not more than once for the same reason. He has the constitutional prerogative to accept or refuse a government's resignation, which former President Schaerf exercised once in refusing to accept the resignation of Chancellor Gorbach's Government.<sup>6</sup> All legislation must be submitted to him; and once he signs a bill, it becomes law.

The Constitution provides that the executive power shall be vested in the President and be exercised either through him directly or officers subordinate to him. In practice, the executive power is exercised principally by the Chancellor. The President has the power of appointment or dismissal of the Chancellor and, at the latter's suggestion, the other ministers. This power also extends to all other appointive positions within the government, including diplomatic agents. He is to be kept informed by the Chancellor of all administrative decisions of the Cabinet. Finally, the President is the Commander-in-Chief of the Austrian Armed Forces.

As Head of State, he is formally in charge of conducting foreign affairs. He represents the state in a ceremonial

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<sup>6</sup>Austrian Information (October 29, 1960), 2.

central to the legislative process, he has the power to propose or amend any bill. In addition, he can dissolve the House of Representatives at any time. The President also has the power to appoint and remove judges, ambassadors, and other high officials. He can also declare war and make treaties with other countries. The President's power is limited by the Constitution, which requires that he must be a natural-born citizen and at least 35 years old. He can only serve two terms. The President's role is to execute the laws passed by Congress and to represent the United States in foreign affairs. He is also responsible for the management of the executive branch of the government. The President's power is checked by the other branches of government. Congress can impeach and remove the President from office. The Supreme Court can declare laws passed by Congress unconstitutional. The President's power is also limited by the states, which have the right to elect or remove their own governors. The President's role is to ensure the smooth functioning of the government and to protect the interests of the United States. He is the head of the executive branch and is responsible for the execution of the laws. The President's power is derived from the Constitution and is limited by the other branches of government. The President's role is to represent the United States in foreign affairs and to ensure the smooth functioning of the government. He is the head of the executive branch and is responsible for the execution of the laws. The President's power is derived from the Constitution and is limited by the other branches of government.

capacity and receives and accredits diplomatic envoys. He appoints ambassadors, and may conclude treaties and agreements with other states, which then are subject to approval by the Nationalrat. A final role is that of ratifying all treaties.<sup>7</sup>

The President is indirectly involved with the conduct of foreign affairs through his appointive powers. Although his power might be increased through using special emergency powers, he usually acts on the authority of the government. The Foreign Minister, working in conjunction with the Chancellor, has the direct responsibility for the smooth operation of the foreign policy process.

### Incumbents

There has been a unique political pattern in the short span of the Second Republic. There have been three presidents, all members of the Socialist Party. The first was the veteran Socialist leader, Dr. Karl Renner, who was selected by the first Parliament. National elections were not held because of the then chaotic domestic environment.

After President Renner died in office in 1951, he was succeeded by Dr. Theodor Koerner, who later became the first president to be elected by a popular majority in Austrian

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<sup>7</sup>Presidential powers in international affairs are outlined in Article 65 of the Constitution.



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 President to be elected by a popular majority in Austria.

<sup>1</sup> President's power in international affairs are  
 outlined in Article 9 of the Constitution.

history. Although it is provided in the amended Constitution of 1929 for the direct election of the president, those in the past had been elected by the Nationalrat. With the unexpected death of President Koerner on January 4, 1957, the Socialist Party nominated its leader, Adolf Schaerf. During the preceding postwar period, Schaerf had served as Vice Chancellor and Socialist Party Chairman. He won the 1957 national elections with 51 per cent of the total vote. He was re-elected by a larger margin on April 28, 1963, to become the first president to ever serve a second term. It will be interesting to observe whether the President seeks to increase his authority by appealing to the political leaders to better use his experience.

Upon assuming the highest office, all incumbents have renounced their active political roles in the Socialist Party and declared themselves above politics. In turn, the newly-elected Socialist leader has been appointed to the position of Vice Chancellor to work closely with the Chancellor. While the President is normally kept out of political debates, he is still regarded by the general public as the political leader of his party. President Schaerf has risen above party politics in practice and is widely respected by members of both parties.

Although it is provided in the amended Canadian  
 Act of 1952 for the direct election of the President, there  
 in the past has been elected by the Parliament. With the  
 introduction of the new system in 1952, the  
 the President was elected by the House of Commons, which  
 during the previous period, between the two  
 1952 Commission and the President. The new  
 1952 national election was held in the year  
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### III. FEDERAL CHANCELLOR

#### Key Role

The real political leader of the government is the Chancellor. He holds the highest appointive office in the government, usually serving a four-year term. According to the terms of the Constitution, the President may appoint whom he wishes; but, in practice, he only confirms the appointee of the party with the strongest representation in the newly-elected Parliament. That individual is given the task of forming the new government.

In creating the new government, all important positions are shared between the two coalition parties. The President appoints the ten cabinet members with approval of the Chancellor. These ministers are political appointees and, therefore, are deeply committed to their respective parties. The Constitution stipulates that the Chancellor and other ministers cannot exercise their functions if they do not possess the confidence of the majority of deputies in the Nationalrat. The term of cabinet ministers is that of the duration of the government and automatically expires with a national election.

The Chancellor then makes an inaugural declaration in the Nationalrat, which contains an outline of the foreign policy which will be pursued. This policy has the prior

## III. FEDERAL GOVERNMENT

## Key Points

The head political leader of the government is the Chancellor. He holds the highest executive office in the government, usually serving a four-year term. According to the terms of the Constitution, the Chancellor may resign when he wishes; but, in practice, he only remains in office as long as the party with the strongest representation in the multi-party parliament. This institution is given the task of electing the new government.

In creating the new government, all important positions are shared between the two coalition parties. The President appoints the ten cabinet members with approval of the Chancellor. These ministers are political representatives of the coalition, and usually committed to their respective parties. The Chancellor appoints the members of the cabinet and other officials cannot exercise their functions if they do not possess the confidence of the majority of members in the parliament. The role of cabinet members is that of the executive of the government and administratively together with a national minister.

The Chancellor thus acts as the central figure in the government, with authority on matters of the foreign policy which will be pursued. This policy has the prime

approval of the coalition committee and cabinet where unanimity is required for adoption. Both the policy declaration and political appointments are subjected to the formality of endorsement by a majority in the Nationalrat. A weakness of joint policies is that only the least controversial issues can gain bipartisan support, and important questions are often excluded. This fosters a decision-making environment in which the policy-makers are unwilling to commit themselves to new programs and policies.

The position of the Chancellor in the cabinet is that of its chairman. Since the general outline of foreign policy is conceived in the cabinet, this places the Chancellor in the key role in the foreign policy process. This position is strengthened by his power over the legislative branch, as the active leader of the political party with the strongest representation in Parliament. He can control legislation including foreign policy matters. The net result is that the Chancellor emerges as the most powerful figure in a structure that favors the system over the leader. The organization of the executive branch of the Austrian Government may be found in Appendix A.

The Chancellor is charged by the Constitution to take over the functions of the presidency if, for any reason, the president is temporarily unable to discharge his duties. Further, in the event of a president's death, which has





already occurred twice, Parliament must set the date for the election of a new president. The inauguration of the president terminates an interim period in which the Chancellor is the Head of State.

Since the People's Party has held a majority in Parliament in the postwar period, their nominees have consecutively held this office. The current Chancellor is Joseph Klaus who succeeded Dr. Gorbach on April 2, 1964. Gorbach had replaced the late Julius Raab, who succeeded the first postwar Chancellor, Dr. Figl.

#### IV. FOREIGN MINISTER

The Foreign Minister is appointed by the President with the consent of the Chancellor. Unlike members of the United States Cabinet who are responsible to the American President, Austrian ministers are not directly under the control of the Chancellor. Instead, they are responsible to the Nationalrat for the conduct of their respective ministries, through a law stating that a minister can be impeached if he receives a no confidence vote in Parliament. In effect, ministers are really under party control, since Parliament acts only on instructions from the party bosses.

This relationship places Chancellor Klaus in an uneasy position. Since the Foreign Minister is a member of the opposition party, the Chancellor can only exert influence





in the Foreign Ministry through the State Secretary, a member of his party. While, in practice, the present arrangement is tolerable because of the coalition agreement, the potential remains for an extremely difficult line of command should either coalition partner so choose. The Chancellor does retain a dominant role in settling inter-ministerial problems and has the respect of the Foreign Minister.

The Foreign Minister is involved with the formulation of all major policies through his active and continuous membership in the coalition committee. Basic ideas are exchanged in this committee, and issues are decided by a simple majority vote. Since the composition of this extra-parliamentary body is evenly proportioned, this amounts to mutual agreement by the two parties. Once again, this is a reflection of the true nature of the political structure. As in the case of the Chancellor himself, the personality, experience, and qualifications of the Foreign Minister play an important part in determining the role he performs in the process and the extent to which he relies upon subordinate officials.

### Incumbent

Following the general pattern of limited changes at the higher levels of government, Dr. Bruno Kreisky is the only individual to have held the post of Foreign Minister.

in the foreign ministry between the State Secretary, a member of his staff, while in position, the present arrangement is to maintain members of the coalition government, the potential coalition for an extremely difficult line of command should either coalition partner be elected. The Chancellor does retain a constant role in advising interministerial questions and has the support of the Foreign Minister.

The Foreign Ministry is involved with the formation of all major policies through its active and continuous membership in the coalition committee. Basic issues are decided in this committee, and issues are decided by a single majority vote. Since the composition of this parliamentary body is evenly proportional, this means an equal agreement by the two parties. Once again, this is reflected in the two halves of the political spectrum. In the case of the Chancellor himself, the presidentialism, and qualifications of the Federal Minister play an important part in determining the role he assumes in the process and the extent to which he relies upon interministerial officials.

### Interagency

Following the general pattern of limited overlap at the higher levels of government, the Federal Ministry is the only institution to have both the post of Foreign Minister.

He succeeded Dr. Leopold Figl, who was appointed President of the Austrian Parliament in the summer of 1959. When Dr. Kreisky assumed his duties, the post was as head of the Foreign Office, which was still in the Federal Chancellery.

Dr. Kreisky joined the Socialist Party while enrolled as a student at the University of Vienna. He went underground after the party was prohibited, as one of its most active members. He was arrested in 1935 and sentenced to sixteen months imprisonment on charges of illegal political activity.<sup>8</sup> Again arrested, this time by the Gestapo, he was expelled from the country in 1938. He took up residency in Stockholm from 1939 to 1945, where he became an adviser to the Swedish Government on Austrian problems.

After his return to Vienna, Dr. Kreisky joined the Foreign Service. Subsequently, he was transferred to the Austrian Embassy in Stockholm, and later assigned to the Office of the Austrian President. He was appointed State Secretary in the Office of Foreign Affairs in 1953 and was elected to Parliament three years later.

The Foreign Minister is intimately associated with the inner functioning of the ministry, the organizational structure of which is outlined in Appendix B. As a career diplomat and politician, Dr. Kreisky recognizes the usefulness of utilizing the chain of command, both up and down

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<sup>8</sup>Austrian Information (July 25, 1959), 3.



he remained in Tokyo, and was appointed president of the American Exhibition in the summer of 1904. When he finally returned to Japan, the post was as hard as the foreign office, which was still in the Tokyo Consulate. Dr. Katsuyuki joined the Socialist Party while working as a student in the University of Vienna. He was known to the party and probably, as one of its most active members. He was returned in 1905 and continued to assist with the movement for change of liberal political activity.<sup>5</sup> After a period, he came to the country, he was expected to be a member in 1911. He took up residence in London from 1912 to 1914, when he became an adviser to the British Government on Russian problems. After his return to Japan, Dr. Katsuyuki joined the Foreign Service. Subsequently, he was transferred to the Russian Embassy in London, and later returned to the office of the Russian Consul. He was appointed Vice Secretary in the Office of Russian Affairs in 1913 and was elected as President three years later. The Foreign Minister is intimately associated with the work connected with the embassy, the organizational structure of which is outlined in Appendix A. In a sense, diplomatic and political, the Japanese recognizes the influence of utilizing the work of members, both up and down

<sup>5</sup> Foreign Representation (July 22, 1908), 1.

the line. Thus, the Foreign Minister consults daily the section heads.

His role in the policy process is seen more clearly in foreign policy implementation. He travels extensively, twice presenting the Austrian case on the South Tyrol dispute with Italy before the General Assembly of the United Nations. His speeches are statements of considerable importance. Because of his political philosophy, he has been subjected to much criticism from the People's Party. It has been argued that a Socialist cannot properly support the talks under progress with the European Economic Community. The Socialists' rebuttal maintains that he has conducted foreign policy matters entirely on the basis of the jointly reached cabinet decisions. The Foreign Minister has declared that "joining the Common Market must be subordinated to other diplomatic and political considerations."<sup>9</sup> A bitter struggle followed which saw the Foreign Minister retain his position but lose the responsibility for these negotiations to the Trade Ministry.

#### Ministry for Foreign Affairs

Under the direction of the Foreign Minister, the Ministry for Foreign Affairs is responsible for the administration and execution of foreign affairs. The implementation of policy is carried out through normal diplomatic channels and

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<sup>9</sup>"Political Discord Over Foreign Policy," The New York Times, March 11, 1962.

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Political Situation and Foreign Policy, The New  
York Times, March 11, 1961.



the growing personal contacts between the Chancellor, Foreign Minister, and high government officials and their counterparts abroad. This latter contact is strengthened by official visits to and from other countries, and through active participation in international organizations such as the United Nations. While the two key positions are filled with political appointees, the remainder are reserved for Foreign Service Officers and career civil servants. The Foreign Service is an instrument of the government and does not formulate policy though advice is often solicited by the decision-makers. Public responsibility for Austria's foreign policy is that of the Government and Foreign Minister.

There are approximately three hundred fully-accredited Foreign Service Officers, each having completed the required graduate studies. About 40 per cent serve in Vienna, where other states maintain thirty embassies and sixteen legations. The remainder of the Foreign Service is distributed throughout the world. The selection of a chief of mission or ambassador is generally from among these diplomats, although occasionally politics dictate the selection. The rotation rate insured that every officer will serve at least three long tours in Vienna, but there is no established career plan or procedure to reach the top.

In the areas of intelligence and planning, no hard facts were obtained other than several vague notions.

The existing personal contacts between the Chancellor, the

other ministers, and high government officials and their

counterparts abroad. This latter contact is strengthened by

official visits to and from other countries, and through

active participation in international organizations such as

the United Nations. While the two countries are allied

with political agreement, the countries are involved for

foreign service activities and common civil servants. The for-

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Vienna, but there is no established career plan or procedure

to reach the top.

In the area of intelligence and planning, no such

tasks were assigned other than general foreign relations.

Apparently, there is no absolute standard by which to measure the acceptance of intelligence in planning. It varies according to the issue and the experience of the Foreign Minister in dealing with the particular problem. It is assumed that Dr. Kreisky personally evaluates reports from the various collectors and uses the information with selectivity.

There are several personnel practices of interest. First, entrance into the Foreign Service is competitive and awarded to the "best suited." Second, the first three promotions which cover roughly a ten-year period are automatic. Advancement is not guaranteed after these, and the individual's ability becomes the basis for further promotions.

Foreign Service Officers were dedicated and a sense of profession was highly developed despite low remuneration. Recently, there has been a trend toward greater mobility in the higher echelons, as industry provided attractive opportunities. While this situation has been recognized by public leaders, nothing has been advanced to improve the economic position of these officers. On the other hand, Foreign Service Officers have outstanding job security and career opportunities.

## V. PARLIAMENT

### Powers

The Austrian Parliament is bicameral. It is composed of the Nationalrat, or Lower House, and the Bundesrat, or



Apparently there is no absolute standard by which to measure the acceptance of intelligence in planning. It varies according to the issue and the importance of the foreign intelligence in dealing with the particular question. It is assumed that Dr. Kischke occasionally considered matters from the point of view of the nation and uses the information with selectivity. There are several channels of intelligence. First, intelligence from the foreign service is confidential and included in the "Secret Report". Second, the first three foreign sources which were roughly a 10-15% level are included. Advancement is not guaranteed after these, and the individual's ability becomes the basis for further advancement. Foreign Service sources were dedicated and were of great value and highly developed capacity for reconnaissance. Generally, there has been a trend toward greater mobility in the most advanced, as indicated by the active cooperation. While this situation has been recognized by foreign leaders, nothing has been done to improve the situation. Position of these officials. On the other hand, foreign intelligence officials have outstanding job security and career opportunities. The situation is not ideal.

#### Foreign

The American position is difficult. It is composed of the nationalistic, or home front, and the international,

Upper House. In general, the two chambers meet separately, although there are specific matters of special importance that require them to meet jointly. This is known as a Bundesversammlung, which can only be convened by the President. A declaration of war and administration of the oath of office to the President require such a joint meeting.

The Nationalrat has by far the greater power of the two in most matters, including foreign policy. It initiates all legislation. Draft laws are submitted to the Nationalrat as either motions of its members, or as bills of the Federal Government. It is through this latter method that the Bundesrat can submit its proposals. A new bill starts in the Lower House and is usually given three readings. If approved, it is sent by its President to the Chancellor, who must send it to the Bundesrat. This House may temporarily hold up legislation with its suspensive veto power, but cannot outright veto it. If approved by the Bundesrat, the legislation is submitted to the Federal President by the Chancellor for authentication. If the measure is not approved, it is resubmitted to the Nationalrat. If approved once again, by a majority with at least 50 per cent of the membership present, it becomes law with the President's signature.<sup>10</sup> There are 165 delegates to the Nationalrat, of which 81 are members of the People's Party, 76 are Socialists, and the remaining

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<sup>10</sup>Peaslee, op. cit., p. 119.

Upper House. In general, the two chambers meet separately, although there are special matters of special importance that require them to meet jointly. This is done as a matter of necessity, which can only be convened by the President. A decision of war and declaration of war can only be made by the President and the Senate require two-thirds of the Senate. The President has by far the greater power of the two in most matters, including foreign policy. It is his duty to see that the laws are executed, and the President has the right to pardon or to call on the Federal Government. It is through this latter method that the President can submit his proposals. A law bill starts in the House and is usually given three readings. If approved, it is sent by the President to the Senate, who must also give it three readings. This House may temporarily hold up legislation with its suspensive veto power, but cannot discharge it. It is approved by the President, the legislation is submitted to the Senate President by the President for confirmation. If the Senate is not approved, it is resubmitted to the President. If approved once again, by a majority with at least 50 per cent of the membership present, it becomes law with the President's signature.<sup>10</sup> There are 100 delegates to the Nationalists, of which 81 are members of the People's Party, 76 are Socialists, and the remaining

<sup>10</sup> See also, op. cit., p. 119.



number belong to the Freedom Party. They normally serve terms of four years, since it is stipulated in the Constitution that the legislative period may not exceed this period in length.

The Bundesrat is also referred to as the Federal Council and is representative of the provincial governments. It consists of fifty delegates selected by the provincial authorities, on the basis of population in each province. The delegates serve during the life of the provincial government which they represent.

#### Summary

The Nationalrat has the greater authority and is the main forum. It has the important function of approving all treaties, although it does not have confirmation powers over ambassadorial appointments. The Nationalrat initiates legislation and the Bundesrat gives its consent.

The effectiveness of Austria's foreign policy rests partially on the government's ability to maintain peaceful relations with all neighboring states. Austrian policies and actions in Europe and in international organizations are discussed in Chapter VIII to determine the extent of Austria's involvement in the international state system.

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## CHAPTER VIII

### INTERNATIONAL ENVIRONMENT

In the development and execution of a successful foreign policy, a number of variable external factors must be carefully evaluated by responsible decision-makers. Relations with particular states often have a disproportionate impact upon the entire foreign policy process. The degree of friendliness or hostility between neighboring states affects political judgments. Trade patterns, military postures, and commitments to regional and global organizations must also be considered. These factors were analyzed, beginning with Austrian relations with her neighboring states.

#### I. RELATIONS WITH NEIGHBORING STATES

Austria has six European neighbors, including two members of the North Atlantic Treaty Organization and two of the Warsaw Pact. In the case of the NATO states, the Federal Republic of Germany and Italy, the interaction with Austria is of intense proportions. This tends to link the Austrian economy to that of Western Europe and, primarily, to the countries of the European Economic Community. The relationship with the Warsaw Pact members is less significant. It will be discussed in the following section within



## CHAPTER VIII

### INTERNATIONAL ENVIRONMENT

As the development and expansion of a continental foreign policy, a number of various external factors must be carefully considered by the political decision-makers. Relations with particular states often have a disproportionate impact upon the entire foreign policy process. The degree of interdependence or conflict between neighboring states affects political judgments. Trade patterns, military postures, and commitments to regional and global organizations must also be considered. These factors were analyzed, beginning with American relations with her major foreign states.

#### 1. RELATIONS WITH NEIGHBORING STATES

America has six European neighbors, including two members of the North Atlantic Treaty Organization and two of the Warsaw Pact. In the case of the NATO states, the Federal Republic of Germany and Italy, the information also indicates a high degree of interdependence. This tends to link the American economy to that of Western Europe and, ultimately, to the committee of the European Economic Community. The relationship with the Warsaw Pact members is less significant. It will be discussed in the following section which

a collective grouping of other Eastern European states. A general outline of the Austrian trade pattern with the majority of her neighbors may be found in Table II, infra, p. 168.

#### Federal Republic of Germany

The Federal Republic of Germany is a member of the EEC and a major link in the defense of Western Europe against any possible Communist aggression. This is founded on Germany's strategic location, military assets, and industrial capacity. While the Federal Republic is deeply committed to NATO, she is extremely friendly toward neutral Austria. The German Government is actively supporting the Austrian application for Associate Membership in the EEC.

The Federal Republic of Germany is the country's major customer and supplier of imports. As is shown in Table II, Germany accounted for over 42 per cent of her imports and 28 per cent of her exports in 1962. Never in Austrian history has there been such dependence upon one national market. In 1937, Germany was then also her principal trading partner, although this only amounted to 16 per cent of her imports and 15 per cent of her exports.<sup>1</sup>

S. E. H. Daw, writing for the British Government in

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<sup>1</sup>Austria, Facts and Figures, p. 100.

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### Federal Republic of Germany

The Federal Republic of Germany is a member of the EC and a major link in the chain of Western Europe against any possible Communist aggression. This is based on Germany's strategic location, military strength, and other vital capacities. While the Federal Republic is deeply committed to NATO, she is extremely friendly toward neutral Austria. The German Government is actively supporting the Austrian application for associate membership in the EC. The Federal Republic of Germany is the country's major customer and supplier of Japan. As is shown in Table II, Germany accounted for over 33 per cent of her imports and 18 per cent of her exports in 1951. Over 10 Austrian citizens live in Germany and her dependence upon the national market. In 1951, Germany was also her official trading partner, although this only amounted to 18 per cent of her imports and 12 per cent of her exports.<sup>1</sup> A. H. G. was selected for the British Government in

<sup>1</sup> Foreign Affairs and Finance, p. 100.



Economic and Commercial Conditions in Austria 1957 makes the following observation:

There are many reasons for this volume, such as a common frontier, and a common language as well as many similar cultural interests; and freight charges on German goods are lower than those from the United Kingdom and France. The common language facilitates correspondence and the availability of trade literature. The close contact of industrialists during the war years also created a link in technical matters which has persisted. To these advantages must be added the determination on the part of Germany to exploit the Austrian market to the utmost. No effort has been spared to achieve this end. This effort is evident in the participation of German firms in trade fairs in Austria and in the considerable volume of advertising in Austrian trade publications.<sup>2</sup>

In June 1961, the Federal Republic and Austria signed an agreement for the indemnification of Austrians persecuted by the Nazis. With this payment made, the last major foreign policy controversy was settled and harmonious relations have since prevailed. Germany annually receives a vital surplus from this Austrian trade, which is centered in the exchange of industrial goods. In return, Austria benefits from the proximity of German markets, which helps to hold the unfavorable transportation costs to a minimum level. Furthermore, outside of Trieste, her overseas exports are shipped principally from the German North Sea ports of Hamburg and Bremen.

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<sup>2</sup>S. E. H. DAW, Economic and Commercial Conditions in Austria 1957 (London: Her Majesty's Stationery Office, 1957), p. 26.

# Economic and Commercial Conditions in Austria 1937

Following observations:

There are many reasons for this volume, such as a common frontier, and a common language as well as many similar cultural interests and traditions. The common goods are lower than those from the United Kingdom and France. The common language facilitates correspondence and the availability of trade literature. The close nature of the relationship during the war years also created a link in technical matters which has persisted. The disadvantages must be added the disadvantages of the part of Germany to export the Austrian market to the west. No effort has been made to achieve this end. This effort is evident in the period. The of German firms in trade fairs in Austria and in the considerable volume of advertising in Austria trade publications.

In 1931, the Federal Republic and Austria signed an agreement for the implementation of Austrian legislation by the Reich. With this payment made, the last major foreign policy controversy was settled and harmonious relations have since prevailed. Germany annually receives a vital surplus from this Austrian trade, which is compared in the exchange of industrial goods. In return, Austria receives from the proximity of German markets, which helps in the the extensive transportation costs to a minimum level. Furthermore, outside of Vienna, few overseas exports are shipped principally from the German North Sea ports of Hamburg and Bremen.

## Italy

Italy is Austria's second most important trading partner. Like the Federal Republic of Germany, Italy is a full member of the European Economic Community, while maintaining cordial relations with Austria. Trade is centered around the exchange of Austrian lumber and steel for Italian agricultural products. This results annually in a favorable balance of payments for Austria. While this is a significant relationship for both countries, it is complicated by an unresolved foreign policy issue, which has been a persistent external concern to both governments. This is the matter of regional autonomy for the region formerly known as the South Tyrol.

Italy initially received this Austrian region as a secret reward for joining the alliance against Germany and Austria-Hungary in the First World War.<sup>3</sup> The majority of the population in this area spoke German and considered themselves an integral part of the Austrian nation. Consequently, the Austrian Government has held this award to be a flagrant violation of the Wilsonian principle of self-determination.

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<sup>3</sup>For the details of the secret London Agreement of April 26, 1915, see A. J. P. Taylor, The Struggle for Mastery in Europe 1848-1918 (London: Oxford University Press, 1957), pp. 546-547.



Italy

Italy is Austria's second most important trading partner. Like the Federal Republic of Germany, Italy is a full member of the European Economic Community, with which it has established relations with Austria. Trade is conducted almost exclusively in Austrian pounds and steel for Italian agricultural products. This results normally in a favourable balance of payments for Austria, while there is a slight trade relationship for both countries. It is complicated by an unbalanced foreign policy issue, which has been a persistent external concern to both governments. This is the matter of regional autonomy for the region formerly known as the South Tyrol.

Italy initially received this region as a result of her joining the alliance against Germany but Austria-Hungary in the first world war. The rejection of the proposal in this area was given and consistent themselves an integral part of the Austrian nation. Consequently, the Austrian Government has held this area to be a flagrant violation of the principle of self-determination.

For the details of the second London Agreement of April 22, 1912, see A. J. P. Taylor, The Struggle for Austria in 1918-1919 (London: Oxford University Press, 1957), pp. 255-257.

The Austrian case for regional autonomy is based further on the grounds that while Austria was a victim of Nazi aggression, Italy was the defeated partner of the Germans. The Austrian Government presented its first post-war appeal of the original award at the Paris Peace Conference in early 1946, which decided the terms of the Italian Peace Treaty. Nevertheless, for political reasons, the Conference of Foreign Ministers again rejected all Austrian claims on April 30, 1946. However, the Italian Government, in a memorandum to the Foreign Ministers, promised to grant to the German-speaking population in the South Tyrol a large measure of administrative autonomy as well as measures to safeguard their unique interests. The South Tyroleans were granted elementary and secondary education in German, parity of Germans with Italians in public offices, and more civil service opportunities. In this situation, an agreement for the protection of the ethnic and cultural character of the Austrian minority in Italy was signed by former Austrian Foreign Minister Gruber and the Italian Prime Minister De Gasperi on September 5, 1946. It has been in the execution of that accord which has been the source of friction between the two governments.

In January 1948, Rome established an autonomous region that included not only Bozen Province, once known as the South Tyrol, but also the Italian-speaking Trento

The Italian case for regional autonomy is based further on the grounds that while Austria was a victim of Nazi aggression, Italy was the defeated partner of the Germans. The Austrian Government demanded the first post-war appeal at the original award of the Peace Conference in early 1945, which rejected the claims of the Italian People's Party. Nevertheless, the political vacuum, the Government at Vienna ministerial system rejected all Austrian claims on April 30, 1945. However, the Italian Government, in a memorandum to the Foreign Ministry, promised to grant to the German-speaking population in the South Tyrol a large measure of administrative autonomy as well as measures to safeguard local native interests. The South Tyrol was granted minority and secondary education in German, partly as a means of Italian in public schools, and some civil service opportunities. In this situation, an agreement for the protection of the ethnic and cultural character of the Austrian minority in Italy was signed by James Acheson, Foreign Minister of the United States and the Italian Prime Minister on October 1, 1945. It was based on the recognition of that accord which has been the basis of relation between the two governments.

In January 1955, Rome established an autonomous region for South Tyrol, not only German speaking, but also the Italian-speaking people.



Province to the south. This had the effect of making the German-speaking majority in Bozen Province into a minority with 220,000 German speakers swamped by 510,000 Italian-speakers.<sup>4</sup> Naturally, the Austrian Government has supported the German minority who claim that their basic rights have been violated.

The Austrians took the matter to the United Nations only after bilateral negotiations with the Italian Government had proved unfruitful. The Austrian authorities have made it clear that they have no territorial ambitions in the Brenner Pass area. The Government considered that only implementation of regional autonomy for the South Tyrol would genuinely fulfill the terms of the past agreements between the two countries and settle the issue.

The significance of this long-standing issue has been its internal uniting effect in Austria. This has provided a constant challenge and the incentive to work together to make a stronger state. Finally, a separate division was created within the Political Section of the Ministry for Foreign Affairs to handle these negotiations, along with other minority questions.

#### Yugoslavia

Austrian relations with Yugoslavia are cool but

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<sup>4</sup>Austrian Information (May 1, 1964), 4.

Province in the north. This had the effect of causing the German-speaking majority in those provinces to be indirectly With 250,000 German speakers assigned by 1910, 500,000 speakers. Naturally, the Austrian Government has insisted the German minority who claim that their basic rights have been violated.

The Austrian Government has the matter in the mixed German only after bilateral negotiations with the Italian Government and proved successful. The Austrian Government has not it clear that they have no territorial ambitions in the German area. The Government considered that only the implementation of regional autonomy for the South Tyrol would seriously limit the power of the local government between the two countries and settle the matter. The implementation of this long-standing issue has been the subject of many efforts in Austria. This has provided a constant challenge and the incentive to work together to make a stronger state. Finally, a separate division was created within the political system of the Ministry for Foreign Affairs to handle these negotiations, along with other minority questions.

Yugoslavia

Austrian relations with Yugoslavia are good but

but correct. In November 1960, the Austrian Government satisfied all Yugoslav claims which resulted from the Second World War. Two major issues remain open which prevent the restoration of a more cordial atmosphere between the two governments. The first matter concerned the Austrian claims for compensations of former Austrian properties nationalized in Yugoslavia. On the Yugoslav side was official dissatisfaction with the position of the Slovene minority which resides in Carinthia. Until these two matters are solved, relations are likely to remain in the current state.

## II. INTEREST IN EUROPEAN COOPERATION

Austrian interest in European integration is three-fold. First, there is the historical experience which supports this movement. Second, the Austrian economy is export oriented in the direction of Western Europe. Finally, many prominent citizens, including Professor Nemschak, believe that without Austrian integration into the larger European market, the Second Republic will ultimately lose its political independence, despite its proclaimed permanent neutrality.

### Background

The beginning of Austrian participation in an European economic community dates back to more than a hundred





years to when Freiherr von Bruck, an Austrian Minister of Commerce, tried to organize such a community.<sup>5</sup> Later, an economic union was established within the framework of the Austro-Hungarian Empire, which constituted a large economic community. Besides Austria, it included Czechoslovakia, Hungary, and portions of modern Rumania, Yugoslavia and Poland. The Empire was consolidated over decades and came close to being autarkical in food production. The southern and eastern districts were predominantly agricultural; the northern and western districts industrial, thus forming close to an ideal economic unit.

When the Hapsburg Monarchy collapsed in the autumn of 1918, the bulk of its territories and population was transferred to the so-called Succession States, along with its main sources of food supply and vital coal resources. Trade barriers and other restrictions to international commerce were immediately erected against one another which destroyed the earlier commercial ties. This initial disruption of trade resulted in Austrian commerce being shifted from these traditional markets to Western Europe, a trend that has intensified since the conclusion of the Second World War.

During the existence of the First Republic, Austria exported about 28 per cent of her total exports to states

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<sup>5</sup> Richard Hiscocks, The Rebirth of Austria (London: Oxford University Press, 1953), p. 33.

years to take twelve years ago, an American Minister at  
Commonwealth, said it requires even a country. I think, an  
economic system was established since the formation of the  
American-Canadian Council, which represented a large number  
community. Besides Australia, it included Canada, Jamaica,  
Honduras, and portions of South America, Argentina and  
Colombia. The Council was established over twenty years ago  
close to being successful in that respect. The southern  
and eastern districts were geographically separated, and  
northern and western districts included, thus forming  
close to an ideal economic unit.

During the existence of the first Republic, America  
interested since the revolution of the French world war.  
Traditional markets for products between a time that was  
trade resulted in American markets being placed upon these  
the entire continental line. This initial disposition of  
was necessarily limited effort can explain which destroyed  
damages and other relations in international commerce.  
with sources of food supply and vital coal resources. Trade  
forced to the so-called American States, along with the  
1910, the loss of air transportation and production was trans-  
posed the rapidly occurring collapse in the amount of



in Eastern Europe. Under normal conditions, Polish and Czechoslovakian coal would be a natural exchange for Austrian oil.<sup>6</sup> The Soviet occupation of the Eastern European countries in the postwar period was a severe shock to the already weakened economy, as Austrian foreign capital investments in that region were confiscated and trade impaired. Whereas in 1937, 28 per cent of her exports and 32 per cent of her imports were with these states; in 1962, the respective figures were only 14.8 per cent and 11 per cent.

With the exception of Poland and the Soviet Union, this trade with Eastern Europe is favorable to Austria, giving to it an overall export surplus. The difficulty with this relationship has been that these Communist states are unable to supply food and coal, vital Austrian imports, in exchange for Austrian products. Again, this illustrates the extent to which traditional trading patterns have been disrupted, and why a relative and absolute increase in Western European trade may be continued.

Austria's foreign trade was non-existent in 1945. Most of the large industrial complexes were greatly impaired because of extensive damage, confiscations, changes in economic aims, and an acute shortage of capital.<sup>7</sup> All

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<sup>6</sup>Ibid., p. 234.

<sup>7</sup>Franz Heissenberger, The Economic Reconstruction of Austria 1945-1952 (Washington: Library of Congress, 1953), p. 63.

in Eastern Europe. Under normal conditions, Polish and Czechoslovakian coal would be a natural exchange for Russian oil.<sup>6</sup> The Soviet occupation of the Eastern European countries in the postwar period was a severe shock to the already weakened economy, as Austrian foreign capital investment in that region was considerable and thus isolated. Whereas in 1937, 50 per cent of her exports and 33 per cent of her imports were with Great Britain, in 1945, the respective figures were only 14.8 per cent and 33 per cent. With the exception of Poland and the Soviet Union, this trade with Eastern Europe is favorable to Austria, giving to it an overall export surplus. The difficulty with this relationship has been that these Communist states are unable to supply food and coal, vital Austrian imports, in exchange for Austrian products. Again, this illustrates the extent to which traditional trading partners have been disrupted, and why a relative and absolute increase in Western European trade may be considered.

Austria's foreign trade was diversified in 1945. Most of the large industrial companies were greatly injured because of extensive damage, destruction, changes in ownership aims, and an acute shortage of capital. All

<sup>6</sup> Ibid., p. 134.

commercial arrangements had to be restored, and the new political reality of Communist supremacy in Eastern Europe had to be dealt with.

In the immediate postwar period, the traffic in goods was restricted mainly to the nearest neighboring countries. K. W. Rothschild, in The Austrian Economy Since 1945 points out that:

In August 1945, the first barter agreement was signed with Hungary, to be followed by one with Czechoslovakia, and later with Italy and Switzerland. These barter agreements were restricted to specific exchanges of limited quantities of goods. By the end of 1945 thirty-one such specific agreements had been concluded.<sup>8</sup>

These agreements were followed by Austrian participation in the European Payments Union, which enabled her to expand trade to more distant areas on the basis of multilateral agreements. By 1950, foreign trade had expanded over pre-war figures and has continued to maintain a steady growth ever since.

At first, imports consisted mainly of foreign relief consignments, which in 1945 and 1946 accounted for about 88 per cent of total imports. By 1954, this percentage had shrunk to only 3 per cent, and since then foreign relief has not played any part in Austria's foreign trade balance.<sup>9</sup>

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<sup>8</sup>K. W. Rothschild, The Austrian Economy Since 1945 (London: Oxford University Press, 1950), p. 23.

<sup>9</sup>Austria, Facts and Figures, p. 99.



domestic arrangements and to be satisfied, and the  
political reality of Communist supremacy in Eastern Europe  
has to be dealt with.

In the immediate post-war period, the world in general  
was dominated mainly by the United States and the Soviet Union.  
At the same time, in the American economy since 1945 there  
has been a rapid expansion of production.

In August 1945, the first peace agreement was signed  
with Hungary, to be followed by the Czechs, Poles,  
and later with Italy and Germany. These  
peace agreements were concluded on a basis of  
mutual consent of limited quantities of goods. By the end  
of 1945, the world was again dominated by the  
United States.

These agreements were followed by American participation in  
the European Economic Union, which enabled her to secure  
trade to some extent even on the basis of military  
agreements. By 1950, the world was again dominated by the  
United States and was committed to maintain a steady growth  
even since.

At first, imports consisted mainly of foreign raw  
materials, which in 1945 and 1946 amounted for about 50  
per cent of total imports. By 1954, this percentage had  
fallen to only 15 per cent, and since then foreign trade has  
not played any part in America's foreign trade relations.

At the same time, the American economy since 1945  
(London: Oxford University Press, 1950), p. 13.  
Foreign Trade and Finance, p. 10.

The United States provided through fiscal year 1953 about \$1.3 billion in many forms; such as, machinery, industrial raw materials, food and money.<sup>10</sup> United States assistance to the tourist industry, which is the country's greatest earner of foreign exchange, was particularly fortunate. Since 1953, no United States economic grant aid has been given to Austria except for very small annual technical exchanges and a productivity program.<sup>11</sup>

#### Participation in European Organizations

While normally a state's growing involvement in world trade is accompanied by a wider geographical distribution of its outlets, the postwar political stalemate forced Austrian exports in the direction of a definite Western regional concentration. As an indirect result of this circumstance, Austria became a charter member of the Organization for European Economic Cooperation. Even before this action, the Austrian Government was clearly in favor of European unity:

In October 1945, before the European movement had been fully launched by Churchill's great speeches at Brussels, The Hague, and Zurich, Leopold Figl, who was not yet Chancellor, wrote of Austria as a

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<sup>10</sup>News item in The New York Times, March 30, 1961.

<sup>11</sup>United States Congress, House, Committee on Foreign Relations, Special Study Mission to Poland and Austria, 87<sup>th</sup> Congress, 2d Session (Washington: Government Printing Office, 1962), p. 17.





"germ-cell" in the reconstruction of the European community of peoples. In one of his first speeches to the National Assembly the following December he spoke of the vital importance of instilling into the rising generation of Austrians an "all-European democratic way of thought." Austria was subsequently represented at the Congress of Europe at The Hague in 1948, and at the meetings of the European Parliamentary Union.<sup>12</sup>

Next, Austria joined the Council of Europe in April 1956. Although membership in this consultative organization required little of Austria, the significance of this act was her detachments from the historic ties mentioned earlier with the countries in the Danube Basin.

Austria became a member of the European Nuclear Energy Agency, which was established within the framework of the Organization for European Economic Cooperation in December 1957. Together with the European Economic Community countries, who represent six of the eighteen European members, Austria is contributing financial resources to several joint projects. The government desired to expand this limited cooperation into a broader understanding with EURATOM.

In 1958, attempts by the British Government to group all members of the Organization for European Economic Cooperation into a single Free Trade Area proved unsuccessful.

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<sup>12</sup>Robert T. Bower (dir.), Communications and Public Opinion in Austria (Washington: Bureau of Social Science Research, The American University, 1954), p. 38.

"get-together" in the reconstruction of the European community of peoples. In one of his later speeches to the National Assembly the following December he spoke of the vital importance of installing into the rising generation of Austrians an "all-European democratic way of thought." Austria was subsequently represented at the Congress of Europe at The Hague in 1948, and at the meetings of the European Council in London, 1949.

Next, Austria joined the Council of Europe in April 1955. Although membership in this consultative organization required little of Austria, the significance of this act was not detached from the historic ties mentioned earlier with the coalition in the Danube basin.

Austria became a member of the European Nuclear Energy Agency, which was established within the framework of the Organization for European Economic Cooperation in December 1957. Together with the European Economic Community countries, who represent six of the sixteen European countries, Austria is contributing financial resources to several joint projects. The government has also to expand this limited cooperation into a broader understanding with

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In 1956, attempts by the British Government to group all members of the Organization for European Economic Cooperation into a single free trade area proved unsuccessful.

<sup>1</sup> Robert T. Brown (ed.), *Communications and People: A Study in Social Interaction*, Bureau of Social Science Research, The American University, 1954, p. 31.

With the subsequent formation of the European Free Trade Association, Austria joined this group on January 4, 1960. Even at this occasion, Austria was looking ahead toward the merger of the European Free Trade Association and European Economic Community into a single market. Following the United Kingdom's decision to apply for full membership in the Common Market, Austria announced in July 1961 her intention to seek association with that organization. Chancellor Gorbach asserted in the Government Declaration that:

We believe that in acting in this manner we shall support and adhere to our established policy of military neutrality. On the other hand, we shall take full advantage of our freedom of choice to participate to the fullest in economic integration efforts because we are convinced that this is fully compatible with our special position.<sup>13</sup>

The economic connections with the European Free Trade Association and the European Economic Community were analyzed in Chapter IV.

### III. AUSTRIA AND INTERNATIONAL ORGANIZATIONS

#### United Nations

In addition to the European organizations cited above, Austria belongs to numerous international groupings, including the United Nations. Austria joined this latter organization on December 15, 1955, after a long wait caused by the

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<sup>13</sup>Austrian Information (December 30, 1961), 1.



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The economic connections with the European Free Trade Association and the European Economic Community were assigned at London IV.

#### 4. III. AUSTRIA AND INTERNATIONAL ORGANIZATIONS

##### United Nations

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<sup>1</sup> Austrian Information (December 10, 1961), 1.

unwillingness of the Soviet Government to withdraw from Austria and to agree to a State Treaty.<sup>14</sup> After its admission, Austria became an active member and was represented on seven commissions of the United Nations in 1964.

Austria has usually sided with the Western members in voting on major international issues. For example, at the Sixteenth General Assembly Session, there were 114 roll call votes on which the United States and the Soviet Union took opposing positions. Francis O. Wilcox, writing in the summer of 1963, pointed out that:

Austria's vote coincided with that of the United States on 72 occasions.<sup>15</sup>

In addition, Austria abstained thirty-two times leaving but ten roll call votes when the national interests of Austria were divergent with those of the United States. One source of disagreement with the United States has been over the proposed membership of Communist China. Foreign Minister Kreisky remarked in November 1963 that Austria would not

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<sup>14</sup>The Soviet Union finally broke the deadlock in the Security Council by agreeing to the Austrian accession, along with fifteen other applicant states. The other states whose applications were approved included: Albania, Bulgaria, Cambodia, Ceylon, Finland, Hungary, Ireland, Italy, Jordan, Laos, Libya, Nepal, Portugal, Rumania, and Spain.

<sup>15</sup>Francis O. Wilcox, "The Atlantic Community and the United Nations," International Organization, XVII:697, Summer, 1963.

commitment of the Soviet Government to withdraw from  
 Austria and to enter a peace treaty.<sup>15</sup> After the  
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 on every occasion of the United Nations in 1945.  
 Austria has usually sided with the Western members in  
 voting on major international issues. For example, at the  
 Economic and Social Council, there were 11-11-11  
 votes in favor of the United States and the Soviet Union  
 opposing position. Austria is always, except in the  
 summer of 1955, divided and equal.  
 Austria's vote coincides with that of the United  
 States in 15 out of 17.  
 In addition, Austria's 1955-56 vote is divided  
 but not all votes were the national interests of Austria  
 were divergent with those of the United States. The  
 of disagreement with the United States has been the  
 proposed membership of Communist China. Austria  
 Austria abstained in November 1955 that Austria would not

<sup>15</sup> The Soviet Union finally broke the deadlock in the  
 Security Council by opposing the Austrian position,  
 along with the other permanent members. The other states  
 whose positions were opposed Austria, Albania, Bulgaria,  
 Cambodia, Ceylon, Finland, Hungary, India, Jordan,  
 Laos, Liberia, Morocco, Pakistan, and Syria.

<sup>16</sup> Speech by Winston Churchill, 1945, in *Parliamentary Debates*,  
 United States, *International Organization*, 1945,  
 London, 1945.



object to this admission.<sup>16</sup> The Austrian Government has consistently abstained in recent United Nations votes on this question.

There have been many indications of Austrian interest in the tasks of the United Nations. In December 1960, the Austrian Government sent their first detachment of medical personnel to the troubled Congo. This group was augmented in the following year, and a total of 112 individuals served in that United Nations peace action. In 1962, the Government subscribed \$900,000 to purchase United Nations bonds.<sup>17</sup> Later in that same year, Austria contributed \$500,000 in commodities to the United Nations World Food Program. In the 1964 peace action of the United Nations on Cyprus, Austria enhanced its prestige by sending another medical unit of fifty-four physicians and a group of thirty-one Austrian civilian policemen.<sup>18</sup> On April 2, 1964, the government decided that Austria would, in addition, pay \$40,000 as a voluntary contribution to help defray the costs of the UN-Peace Keeping Force in Cyprus.<sup>19</sup>

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<sup>16</sup>News item in Arbeiter-Zeitung, November 20, 1963.

<sup>17</sup>Austrian Information (April 14, 1962), 2.

<sup>18</sup>Austrian Information (May 1, 1964), 2.

<sup>19</sup>United Nations Press Services, Office of Public Information, Press Release SG/SM/56 CYP/30, April 3, 1964, "Text of Letter from Austria to Secretary-General on Costs of Cyprus Peace-Keeping Force."

object to this situation.<sup>15</sup> The American Government was

continually interested in recent British policy and

this situation.

There have been many indications of British interest

in the case of the United States. In December 1963, the

American Government sent some 5000 personnel to assist

personnel to the troubled country. This group was organized

in the following year, and a total of 115 individuals served

in that United States peace mission. In 1967, the govern-

ment authorized \$500,000 to purchase United States goods.<sup>16</sup>

Later in that same year, British contributions \$500,000 in

contribution to the United Nations World Food Program. In

the 1964 peace action of the United Nations on Cyprus,

Australia announced its practice by sending another medical

unit of five-year physicians and a group of thirty-one

Australian civilian personnel.<sup>17</sup> On April 2, 1964, the gov-

ernment decided that Australia would, in addition, pay \$10,000

as a voluntary contribution to help defray the costs of the

United Nations peacekeeping force in Cyprus.<sup>18</sup>

United Nations peacekeeping force in Cyprus.

<sup>15</sup> News item in London-Sunday, November 10, 1963.

<sup>16</sup> Australian Information Week 14, 1967, 1.

<sup>17</sup> Australian Information Week 14, 1967, 1.

<sup>18</sup> Australian Information Week 14, 1967, 1.

<sup>19</sup> Australian Information Week 14, 1967, 1.

Australian Information Week 14, 1967, 1.

Austria is a member in good standing in the following agencies: the International Labor Organization, International Monetary Fund, World Health Organization, Food and Agricultural Organization, UNESCO, International Bank for Reconstruction and Development, International Finance Corporation, International Development Association, International Civil Aviation Organization, International Telecommunication Union, Universal Postal Union, World Meteorological Organization, and the International Atomic Energy Organization. The seat of the last-named body is located in Vienna. Furthermore, Austria is a member of the World Bank, the Bank for International Settlements, and a contracting party to the General Agreement on Tariffs and Trade. Austrians also participate in a number of international non-governmental organizations; such as, the Trade Union Advisory Committee, the Business and Industrial Advisory Committee, and the International Chamber of Commerce. Membership in the preceding organizations, which is by no means a complete listing of all the ones that the nation participates in, is highly indicative of the extent of active Austrian involvement on the international scene.

#### Aid to Developing Nations

Although the amount is modest, Austria is now contributing on a selective basis to the developing nation-states. In late 1962, Austria presented \$10 million credit



Australia is a member in good standing in the following  
 organizations: the International Labor Organization, Inter-  
 national Monetary Fund, World Health Organization, Food and  
 Agricultural Organization, UNESCO, International Bank for  
 Reconstruction and Development, International Finance  
 Corporation, International Development Association, Inter-  
 national Civil Aviation Organization, International Tele-  
 communication Union, United Nations, World  
 Meteorological Organization, and the International Atomic  
 Energy Commission. The rank of the last-named body is  
 higher in Vienna. Furthermore, Australia is a member of 200  
 world bodies, the rank of the International Maritime  
 Organization party to the General Agreement on Tariffs and  
 Trade. Australia also participates in a number of inter-  
 national non-governmental organizations, such as, the Trade  
 Union Advisory Committee, the Business and Industrial  
 Advisory Committee, and the International Chamber of Com-  
 merce. Membership in the preceding organizations, taken in  
 by no means a complete listing of all the ways that the  
 nation participates in the highly diversified of the world  
 of active Australian involvement in the international scene.

#### THE ECONOMIC SITUATION

Although the amount of money, Australia is now con-  
 sidered to be a relatively poor in the developing nations.  
 In 1960, Australia produced 210 million dollars

to the World Bank as an indirect contribution to the furtherance of international development aid. On November 24, 1962, India and Austria signed an agreement providing a \$5 million credit to India for the purchase of Austrian goods required for India's third Five-Year Plan.<sup>20</sup> This was succeeded by another loan to India in December 1963. Fifteen projects have been approved by the Austrian Government in 1964. It was reported in the EFTA Reporter that:

A large proportion of the \$228,000 earmarked for these projects will go into planning of the Lang-Sun power plant in Thailand, and toward the erection of a special steel mill at Tlalenpantle, Mexico.

The program also includes construction of a ski and tourist resort at Malam-Jaba, Pakistan, and equipping a school of veterinary medicine at Ankara University in Turkey.<sup>21</sup>

It is significant to observe that a separate division was created within the Political Section of the Ministry for Foreign Affairs to handle these development projects.

It has been shown that Austrian interests are not confined to Europe, but rather are worldwide. This involvement in international institutions must be considered by Austrian policy-makers, and care exercised not to jeopardize the military neutrality. Along with this, the policy-makers must heed the general public acceptance of the need to

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<sup>20</sup>Austrian Information (February 23, 1963), 3.

<sup>21</sup>EFTA Reporter (March 5, 1964), 2.





continuously seek further measures of regional and international understanding.

comparatively small number of regional and inter-

national organizations (including the

United Nations) which are engaged in the

study of the various aspects of the

problem of the world's population.

The following are the main

organizations which are engaged in the

study of the world's population:

1. The United Nations Population Commission

2. The United Nations Economic and Social Council

3. The United Nations Educational, Scientific and Cultural Organization

4. The United Nations Development Program

5. The United Nations World Commission on Environment and Development

6. The United Nations World Commission on the Status of Women

7. The United Nations World Commission on the Status of the Child

8. The United Nations World Commission on the Status of the Elderly

9. The United Nations World Commission on the Status of the Disabled

10. The United Nations World Commission on the Status of the Homeless

11. The United Nations World Commission on the Status of the Migrant

12. The United Nations World Commission on the Status of the Refugee

13. The United Nations World Commission on the Status of the Stateless

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## CHAPTER IX

### CONCLUSIONS

#### General

The varied dimensions of the Austrian foreign policy process have been evaluated in this study. These have included the political process, institutional framework, and the international environment. In many cases, the impact of these factors was found to be intangible, such as the personal relationships between key public officials involved in foreign affairs and those not directly connected with government service. However, it was only when all these diverse elements were synthesized and collectively considered that the total framework of the foreign policy process was established. It was hoped that this inquiry has produced a comprehensive analysis of the Austrian model.

#### Transformation in Society

Great changes in the society and state have been observed. This transformation of value judgments has been transferred to politics, where moderation has superseded the former hostility and inflexibility of politicians and party platforms. The extent of Austrian involvement in world affairs and international organization, as described in the preceding chapter, was further proof of the new confidence



## CHAPTER IX

## CONCLUSIONS

General

The varied dimensions of the Austrian foreign policy process have been analyzed in this study. There have included the political process, institutional framework, and the international environment. In many cases, the impact of these factors was found to be interrelated, such as the personal relationships between key public officials involved in foreign affairs and those not directly connected with government services. However, it was only when all these diverse elements were synthesized and collectively considered that the total framework of the foreign policy process was established. It was hoped that this inquiry has produced a comprehensive analysis of the Austrian model.

Transformation in Society

Great changes in the society and state have been observed. This transformation of value judgments has been transferred to politics, where moderation has superseded the former hostility and inflexibility of politicians and party politicians. The extent of Austrian involvement in world affairs and international organizations, as described in the preceding chapter, was further proof of the new conditions

of the people and national leaders in the future of Austria. In their search for national security and identity, the Austrian people have achieved unity, prosperity, and independence. Finally, the observance of a strict military neutrality has become the cornerstone of Austria's foreign policy and the foundation of the Second Austrian Republic.

#### Foreign Policy Process

The actual process of policy formulation, which was of a subsurface nature in the Coalition Committee, has developed differently than that envisaged by the authors of the Constitution. While the Chancellor was the most influential official in the overall process, even his role and authority were overshadowed by the complete domination of the two major political parties. The coalition practice and Proporz have tended to promote static leadership and compromised policies, which are not easy to change.

The remarkable consistency of Austria's foreign policy has been noted. The best way to summarize recent developments in Austria's foreign policy was to say that it has met its responsibility of maintaining military neutrality with limited resources. The Austrians have made significant progress toward building a modern defense force to complement this policy.

One cannot help but arrive at the conclusion that





Austrians want more than their neutralized status permits, despite official pronouncements to the contrary. In their bid for a special treaty and Associate Membership in the European Economic Community, one finds a basic contradiction. Although this relationship is expounded by Austrian political leaders to be vital, they also insist that nothing must be allowed to impair the neutral status of the country. Yet, there are clear political implications in the 1958 Treaty of Rome. What will happen in Austria if the members of the European Economic Community decide not to approve the pending application? The prospects of the British application to that same organization appeared much better, but unilateral French action blocked that petition. The Austrian application has already brought forth opposition on several grounds, including the argument that neutralized states as EEC members would severely weaken the possibility of attaining those same political objectives. It is apparent that some realistic adjustments must be made to accommodate both positions and that the Austrian nation must be prepared to accept the consequences of a denial to their aspiration for association with the Common Market.

Another example of this trend toward change is the continued discontent with the status quo in the region of the former South Tyrol. As described, this issue has united the nation against the injustice of Italian control over the

Austrian wine and other agricultural products, besides official representation to the Ministry. In their bid for a special treaty and economic cooperation in the Western European Community, was also a basic condition. Although this relationship is supported by Austrian political leaders to be vital, they also insist that nothing must be allowed to impair the neutral status of the country.

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unilateral towards other states that existed. The application was already known for some time and was

several grounds, including the argument that membership states in the Community would severely weaken the possibility of achieving those same political objectives. It is important that some realistic adjustments must be made to economic

data both positive and that the Austrian market must be prepared to accept the consequences of a union to their

application for association with the Common Market.

Recent changes in the French Government in the

renewed agreement with the European in the region of the former French Syria. As described, this latter has helped the nation against the influence of Italian capital over the

German minority. The problem exists whether the government will continue to plead its case in the United Nations, withdraw support and abandon the German minority, or adopt more active measures to insure that regional autonomy is achieved.

### Outlook

The existing bipartisan governmental structure has been endorsed by the Austrian electorate in every postwar election. In the eyes of this observer, there is every indication of a genuine political consensus among the nation. There seems to be no tangible evidence that the people might take an extreme position in changing the government, but discontent within the national community has grown. An end to the Coalition can be foreseen, though not before the next national election, and a return made to a system that is truly competitive. This would stimulate the membership in the political parties, the economy, and the nation. It would likely result in some shifts in the foreign policy process, since the actions of government would be more closely linked with, and responsive to, the electorate.



German minority. The problem exists whether the Government will continue to place its case in the United Nations, with few support and minority the German minority, or what more active measures to insure that regional autonomy is achieved.

#### Outlook

The existing diplomatic governmental structure has been endorsed by the Austrian electorate in every past election. In the eyes of this observer, there is every indication of a genuine political movement among the nation. There seems to be no tangible evidence that the people might take an active position in changing the Government, but discontent within the national community has grown. An end to the coalition can be foreseen, though not before the next national election, and a return made to a system that is truly competitive. This would stimulate the membership in the political parties, the economy, and the nation. It would likely result in some shifts in the foreign policy process, since the actions of government would be more closely linked with, and responsive to, the electorate.

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Wolfe, Matt. "Aristotle Revived." Los Angeles Times. 2005-07-28.



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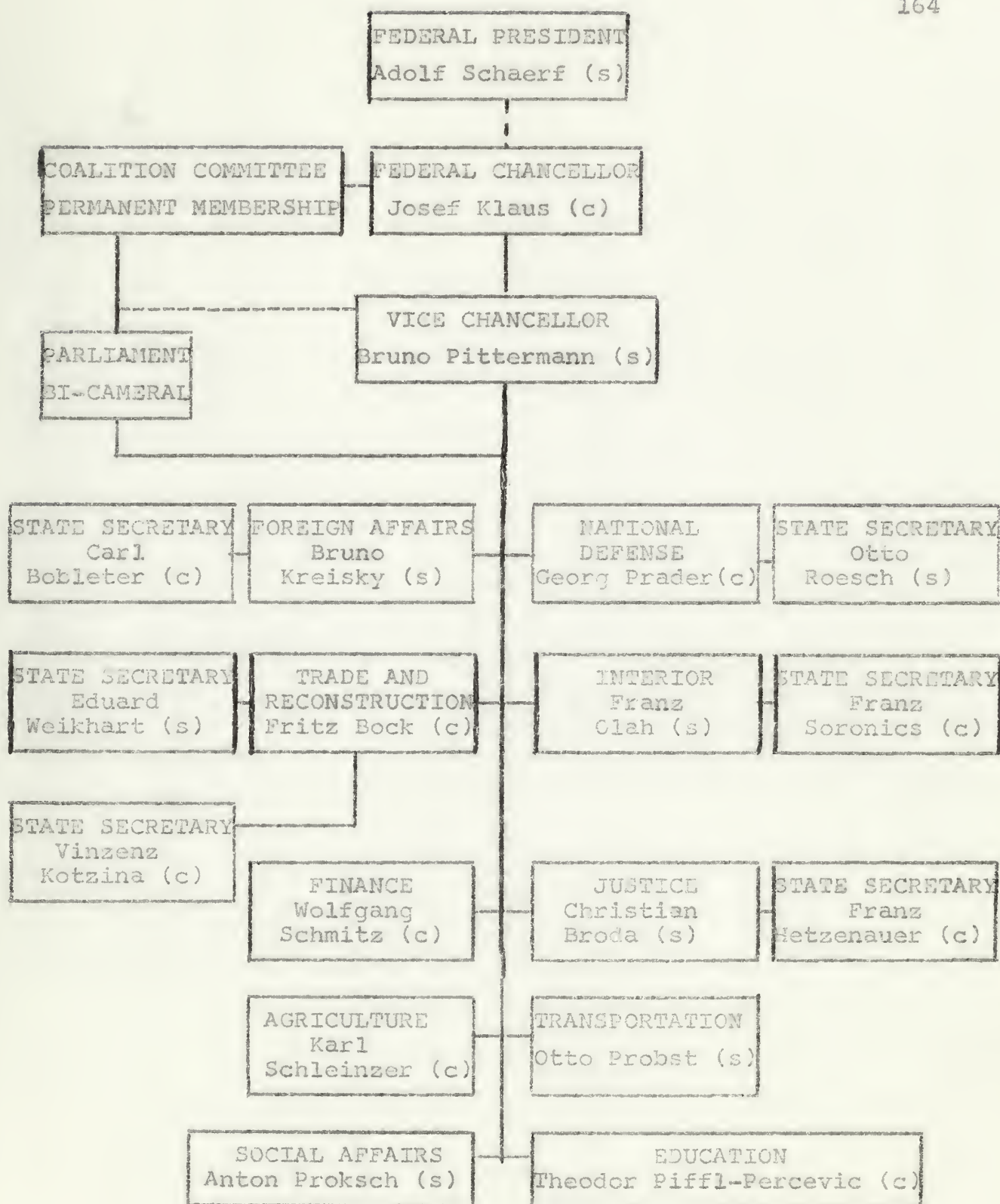
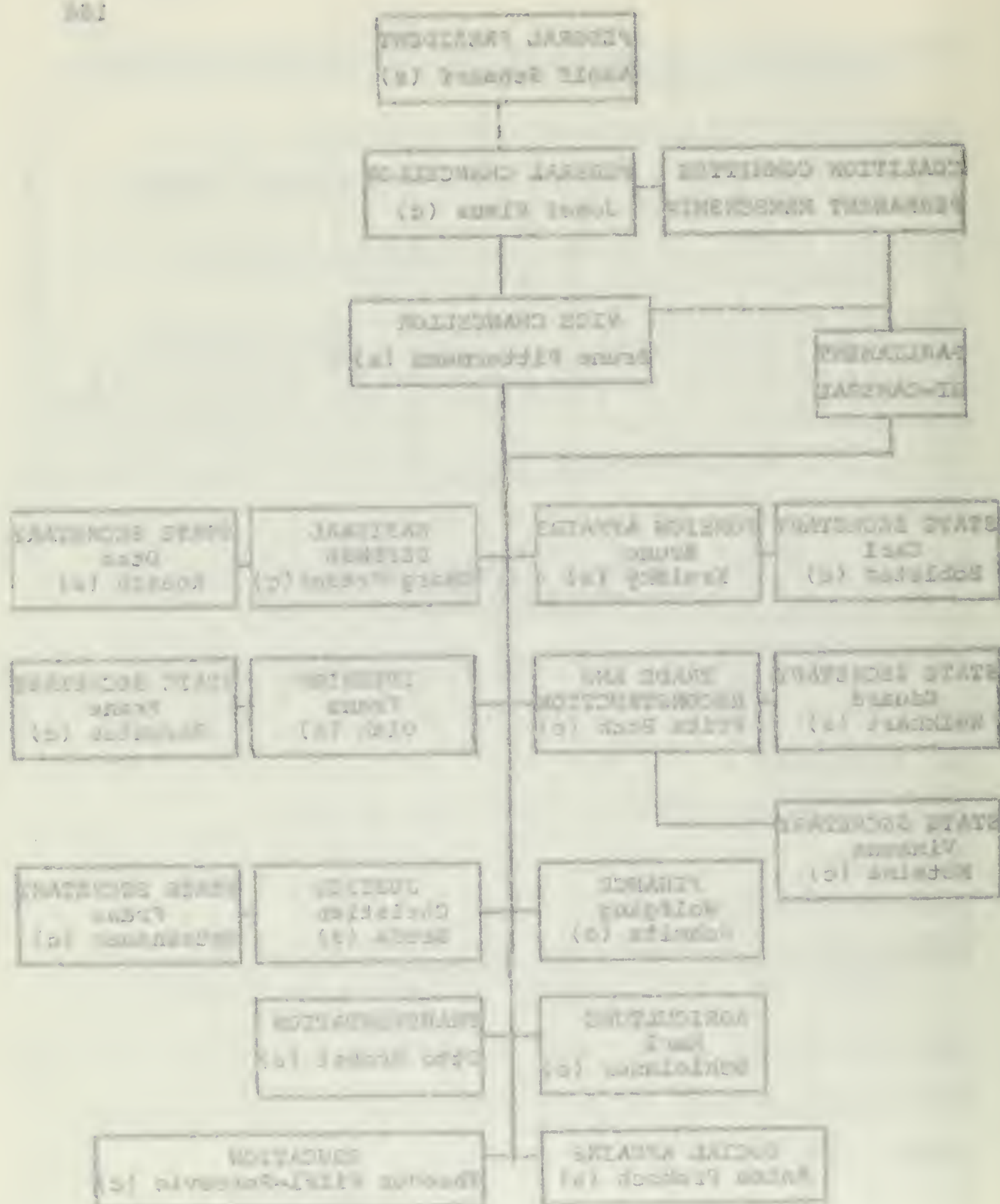


CHART 1

EXECUTIVE BRANCH OF AUSTRIAN GOVERNMENT 1964

SOURCE: Austrian Information (April 11, 1964), 7.



1981 UNIVERSITY MAINTENANCE AND REPAIRS

Source: AGRICULTURAL INFORMATION (A001) 11-2004, 7.



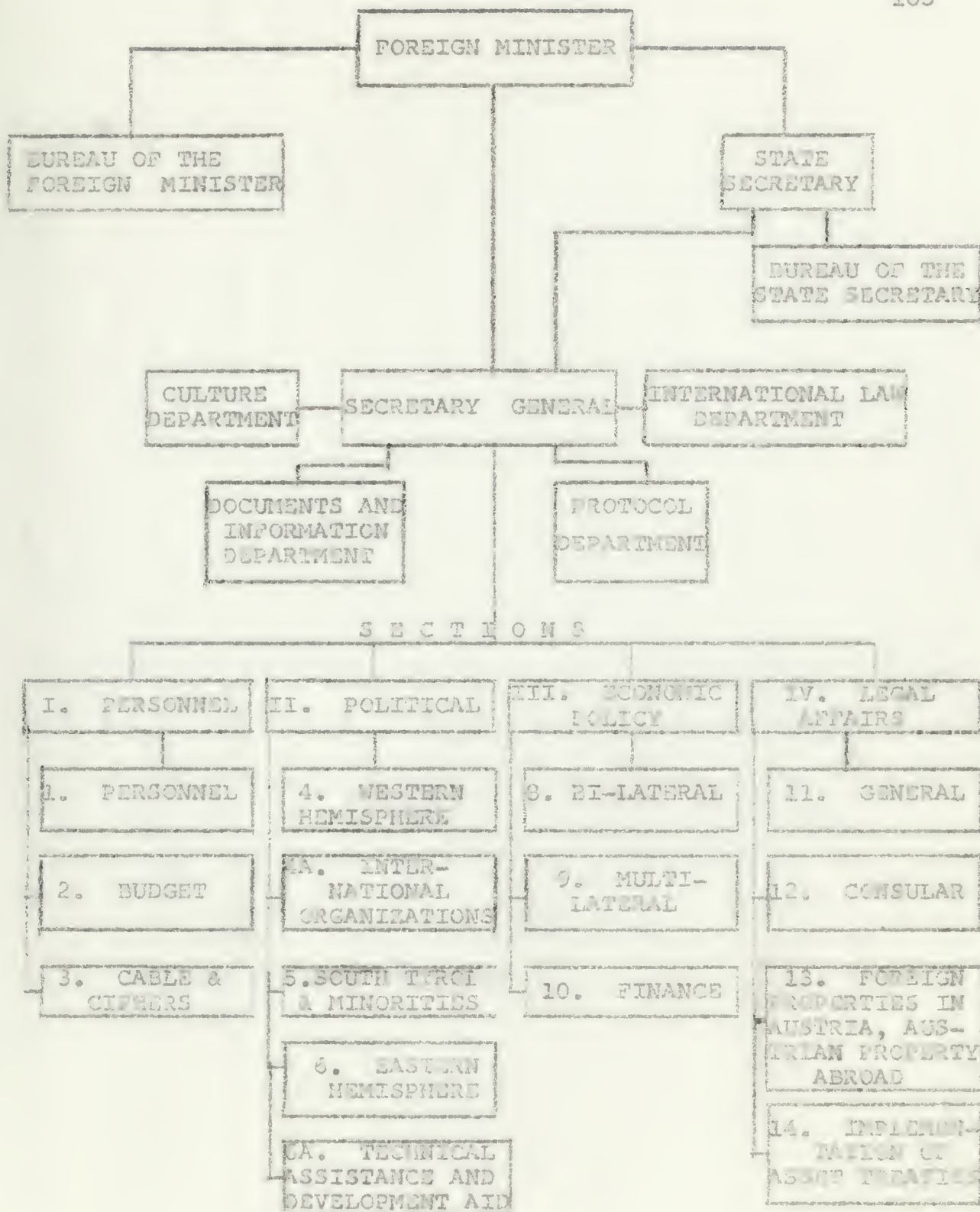


CHART 2

MINISTRY FOR FOREIGN AFFAIRS 1964



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TABLE I  
REGIONAL DISTRIBUTION OF FOREIGN TRADE IN 1962

	Imports in million schillings	%	Exports in million schillings	%
Europe . . . . .	34,947	86.6	28,285	86.1
Member countries of				
OECD . . . . .	29,782	73.8	22,287	67.8
EFTA . . . . .	5,270	13.1	4,948	15.2
EEC . . . . .	23,898	59.2	16,427	50.0
Eastern Europe* . . .	4,453	11.0	4,876	14.8
Americas . . . . .	3,442	8.5	2,169	6.6
USA . . . . .	2,249	5.6	1,273	3.9
Africa . . . . .	755	1.9	714	2.2
Asia . . . . .	987	2.5	1,449	4.4
Australia and Oceania	217	0.5	233	0.7
Overseas territories of OECD member countries . . . . .	248	0.6	263	0.8

\*Not including Finland or Yugoslavia.

SOURCE: Austrian Economy in Figures, Year 1962  
(Vienna: Economic Department of Creditanstalt-Bankverein,  
1963), p. 14.

TABLE 1

REGIONAL DISTRIBUTION OF FOREIGN TRADE IN 1962

Region	Exports in million dollars	Imports in million dollars	Total	Percentage of total
Europe . . . . .	14,941	8,844	23,785	46.1
Western countries of				
Europe . . . . .	13,782	7,218	20,999	40.3
Asia . . . . .	7,770	1,626	9,396	17.9
Latin America . . . . .	12,899	1,626	14,525	27.9
Eastern Europe . . . . .	1,113	1,113	2,226	4.2
Africa . . . . .	1,113	1,113	2,226	4.2
Oceania . . . . .	1,113	1,113	2,226	4.2
USSR . . . . .	1,113	1,113	2,226	4.2
Other countries . . . . .	1,113	1,113	2,226	4.2
Asia . . . . .	1,113	1,113	2,226	4.2
Africa . . . . .	1,113	1,113	2,226	4.2
Oceania . . . . .	1,113	1,113	2,226	4.2
USSR . . . . .	1,113	1,113	2,226	4.2
Other countries . . . . .	1,113	1,113	2,226	4.2
Europe . . . . .	1,113	1,113	2,226	4.2
Asia . . . . .	1,113	1,113	2,226	4.2
Africa . . . . .	1,113	1,113	2,226	4.2
Oceania . . . . .	1,113	1,113	2,226	4.2
USSR . . . . .	1,113	1,113	2,226	4.2
Other countries . . . . .	1,113	1,113	2,226	4.2

\*Not including Finland and Yugoslavia.

Source: Statistical Commission for Europe, Year 1962  
 Vienna: Economic Commission for Europe, 1963, p. 14.



TABLE II  
FOREIGN TRADE WITH EEC AND EFTA COUNTRIES 1962

	Imports in million schillings	%*	Exports in million schillings	%*
<b>EFTA</b>				
Denmark . . . . .	373	0.9	449	1.4
Great Britain . . . .	2,039	5.1	993	2.9
Norway . . . . .	158	0.5	313	1.0
Portugal . . . . .	81	0.2	105	0.3
Sweden . . . . .	585	1.5	814	2.5
Switzerland . . . . .	2,003	5.0	2,369	7.2
Total . . . . .	5,269	13.2	4,983	15.3
<b>EEC</b>				
Federal Republic of Germany . . . . .	17,071	42.3	9,177	28.0
Italy . . . . .	3,302	8.2	5,035	15.3
Belgium-Luxembourg .	717	1.8	501	1.5
France . . . . .	1,554	3.9	688	2.1
Netherlands . . . . .	1,254	3.1	1,026	3.1
Total . . . . .	23,898	59.2	16,427	50.0

\*Share in the total volume of Austria's foreign trade.

SOURCE: Austrian Economy in Figures, Year 1962  
(Vienna: Economic Department of Creditanstalt-Bankverein,  
1963), p. 15.

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\*Reference to the Social Volume of America's Foreign Policy

TABLE III

## FOREIGN TRADE WITH COMMUNIST STATES 1962

	Percentage of Total Imports	Percentage of Total Exports
Bulgaria . . . . .	—*	1.1
Czechoslovakia . . . . .	1.6	2.4
Eastern Germany . . . . .	1.2	1.2
Hungary . . . . .	2.0	2.2
Poland . . . . .	2.1	2.3
Rumania . . . . .	—*	1.3
Soviet Union . . . . .	2.8	4.3
Yugoslavia . . . . .	1.6	2.7
Total . . . . .	11.3	17.5
Western Europe	72.5	65.3

\*Statistical data not available.

SOURCE: Statistical Data on Austria Edition 1963  
(Vienna: Österreichische Länderbank, 1963).



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[illegible]

\*Statistical data not available

(Vietnam: *Journal of the Vietnam Studies Association*, 1963).



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